

No. 11

TELECOMMUNICATIONS
Pages 20-22
A SPECIAL REPORT

Herald

INTERNATIONAL

Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

TODAY!

STAGE

The World's Daily Newspaper

Paris, Wednesday, November 4, 1998

No. 35,979

Turnout Is Key To U.S. Election; Many Contests Too Close to Call

All House and 34 Senate Seats Up for Grabs, With Modest Gains Foreseen for Republicans

By Brian Knowlton
International Herald Tribune

WASHINGTON — Americans voted Tuesday in state and congressional elections marked by few sweeping national issues, but with a clear awareness that their votes represented their only chance to have any direct impact on the possible impeachment of President Bill Clinton.

A large number of important races, more than in 1994 or 1996, were too close to predict. But it appeared almost certain that Mr. Clinton, already hobbled by an imminent impeachment inquiry, would face the remainder of his term again presiding over a divided government.

Thirty-four Senate seats, 36 governorships and all 435 seats in the House of Representatives were at stake. Polling stations began closing around 6 P.M. (2300 GMT) in the East, and three hours later in the West.

The strong economy and lack of compelling issues were combining to keep voter turnout below 40 percent, possibly at record low levels, despite frenetic last-minute efforts by both parties. A recent Gallup Poll

Asian-Americans in political limelight. Page 10.

found levels of satisfaction among Americans at their highest in three decades. Reflecting that, the election was expected to be remarkably good for incumbents. Voters told pollsters that local issues, from education initiatives to health care, were far more important to them than the scandal over the president's relationship with Monica Lewinsky. Most candidates ignored the issue.

James Thurber, director of the American University Center for Congressional and Presidential Studies, recently observed: "In no debate did I hear a case for impeachment, Monica Lewinsky or the president's problems," he said, adding, "There's a great yawn out there. This is a status quo election."

Republicans were expected to add modestly to their control of the House and the Senate, though probably not enough to fan pro-impeachment sentiment in the House or to give Senate Republicans the 50 seats needed to block Democratic initiatives.

They also appeared likely to make gains in gubernatorial and state legislative races. That would continue a trend that has greatly extended the party's dominance at every level but in the White House.

But Republicans appeared headed for far smaller gains in the House than the average since the 1990s of 46 seats for an opposition party controlling Congress in the sixth year of a presidential term.

It may thus be difficult for either party to convincingly proclaim any sort of national mandate for change, as Republicans did after taking control of Congress in 1994.

Most polls pointed to a small Republican pickup in both chambers of Congress, perhaps single-digit gains

See ELECTIONS, Page 10

AGENDA

Iran Leader Bars New Ties With U.S.

The supreme leader of Iran, Ayatollah Sayed Ali Khamenei, said Tuesday there would be no normalization of ties with the United States. Tehran also said it was recalling its ambassador to the Czech Republic over the launch of broadcasts in Persian by the Prague-based Radio Free Europe/Radio Liberty. Page 10.

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	7.658	6.6335
Yen	115.295	114.935
FF	5.5831	5.5451
Pound	1.6853	1.684
The Dow		
Tuesday close	percent change	
Unch.	-8,706.15	Unch.
S&P 500	1,10.84	-0.07%
—0.76		
Nasdaq	-12.44	1,788.44
		-0.69%

Books

Crossword

Opinion

Sports

The IHT on-line

www.iht.com

Newsstand Prices

Andorra 10.00 FF Lebanon 11.300

Antilles 12.50 FF Morocco 16 Dh

Cameroun 1.600 CFA Qatar 10.00 CFA

Egypt 25.50 Roun 12.50 FF

France 10.00 FF Saudi Arabia 10 SR

Gabon 1.100 CFA Senegal 1.100 CFA

Italy 3.000 Lira Spain 250 Pts

Overseas 1.250 CFA Tunisia 1.250 Dm

Jordan 1.250 JD (L.A.E.) 10.00 Dh

Kuwait 700 Fis U.S. M. (Eur) \$1.20

By Lee Hockstader
Washington Post Service

GAZA — Yasser Arafat sipped his cream of mushroom soup in small spoonfuls, his lower lip quivering, his left hand shaking, delicate and bleached white by depigmentation. He gave an impression of frailty, and his answers to a reporter's questions were

so concise Tuesday as to be Delphic. On one point, though, he was unyielding, and crystal clear: The wave of arrests he ordered last week to squash the militant Islamic group Hamas is not over, he said in an interview.

Asked if the roundup of scores, maybe hundreds, of Hamas activists has gone far enough, he replied evenly, in English: "Not yet."

For decades, Mr. Arafat has straddled Palestinian politics like a Colossus, staying on top by cunning and ruthlessness.

In the days since he signed the Mideast peace plan last month in the White House, though, he has set himself against Hamas, which has killed scores of Israelis in terror attacks, he runs the risk that Hamas may turn its weapons on him.

On Tuesday, Prime Minister Benjamin Netanyahu of Israel postponed a scheduled cabinet meeting to ratify the U.S.-brokered agreement.

The Israelis contend that Mr. Arafat had failed to detail his plan for arresting 30 alleged terrorists, including a dozen in the Palestinian security forces, named by Israel.

See ARAFAT, Page 10

By Alessandra Stanley
New York Times Service

ROME — The wealthy socialite Patricia Reggiani was given a 29-year jail sentence Tuesday by a jury in Milan for ordering the murder of her former husband, Maurizio Gucci, an heir to the famous leather goods fortune.

Mrs. Reggiani's co-conspirators were also convicted. The hit man who shot Mr. Gucci in 1995 was given a life sentence. Mrs. Reggiani's personal psychic, Giuseppe Auriemma, who first contacted the killers, was given 25 years. Two other accomplices also got heavy sentences.

"Evidently, they didn't believe me," a stricken Mrs. Reggiani, 50, said moments after her verdict was read out. As guards began escorting her back to her cell, she muttered, "Truth is the daughter of time."

The verdict was eagerly awaited in a country that followed the Gucci trial, as it became known when it opened in May, as the ultimate real-life soap opera. The case brought together some of the country's favorite obsessions: sex, money, designer footwear — and astrology.

Mrs. Reggiani's personal psychic admitted that she hired the killers, but insisted that she did so at her client's instruction.

Lawyers for Mrs. Reggiani claimed that while the divorcee had loudly broadcast her desire to see her former husband dead, she never actually carried out her threats. Mrs. Auriemma, they argued, acted on her own, then blackmailed Mrs. Reggiani. Mrs. Reggiani said in a cross-examination that she was forced to pay \$365,000, then added, somewhat confusingly, "It was worth every penny."

One of her lawyers, Giovanni Maria De-

See GUCCI, Page 10

See RATES, Page 10

Patrizia Reggiani in court on Tuesday.

It's Glossy and Flashy, A Vietnam Must-Read

By Thomas Crampton
International Herald Tribune

HO CHI MINH CITY — The runaway success of a recently launched Western-style women's magazine has government officials here lamenting a moral decline and raising accusations of illegal foreign investment, but Vietnamese women just can't get enough of Phu Nu.

Vietnam's staid newsstands are suddenly alive with new publications, but few have enjoyed the popularity of Phu Nu, or "Woman." Since its arrival last November, the twice-monthly magazine has seen its circulation triple to more than 100,000 copies per issue — three times the print run of similar publications — as readers snap up its flashy full-color offering of beauty tips, health care advice and celebrity gossip.

Phu Nu's formula of snazzy, highly charged and lushly illustrated layouts, focusing on practical family and women's issues, contrasts favorably with glossy upmarket glamour magazines as well as Vietnam's stodgy mass-market publications intended to endorse heavy-handed ideological themes.

Other publishers here assert that the magazine is an illegal and hidden investment by Burda-Rizzoli, a joint venture of the Burda group of Germany and Italy's Rizzoli publishing group. The magazine, its competitors say, demonstrates the length foreigners will go to penetrate the tightly controlled media industry of Vietnam to reach the highly literate consumers of Southeast Asia's second most populous nation.

The competing publishers, both Vietnamese and European, also say that Burda-Rizzoli's extra-legal status highlights the tremendous temptation to skirt the unwieldy bureaucratic hurdles and vague rules that stymie foreign investment in Vietnam.

Organizations here often operate in legal limbo before getting licensed. The very high-profile American Chamber of Commerce, for



As Vietnam loosens its controls on the media, readers can now pick from a wider variety of publications at newsstands.

See PUBLISH, Page 4

Japanese Get Rules On Sex Harassment

By Sheryl WuDunn
New York Times Service

TOKYO — They take pictures of her long thighs as she climbs into limousines. They capture shots of her sitting in revealingly short skirts, and they dub her the Madonna of the cabinet.

It is not exactly the most respectful way to treat Seiko Noda, minister of post and telecommunications and Japan's youngest cabinet minister since the end of World War II. But then, the idea of sexual harassment is not foremost in the minds of the mostly male Japanese media, particularly at the weekly magazines.

Women often complain that working women have a tougher time in Japan than in any other industrialized country. While there has been some improvement in recent years, the Japanese government is now trying to confront the issue by releasing new guidelines in an effort to bar sexual harassment.

There is no clear gauge for measuring how common sexual harassment is in Japan compared to other countries, but some statistics are striking: One in seven women surveyed in government offices said they had been pressured into a sexual relationship by men at work, according to a recent official investigation. A more common complaint, cited by two out of three women, is that they have been sexually harassed by men touching their bodies at work.

The guidelines will go into effect a year from now at government offices throughout the country, and they have also been drawing the attention of Japanese companies, which have drawn up new, though much less strict, rules as well. The result is a great deal of grumbling by men ("if you say that is sexual harassment, then we might as well not utter a word!") one woman was told by a male boss), as well as a feeling by many women that the rules are not tough enough.

In some ways, Japan has fewer problems than the United States. Sexual blackmail, in which bosses dangle a promotion or a new assignment in exchange for sex, is not as widespread at large

See JAPAN, Page 4



A man continuing the search for family members in Posoltega, Nicaragua, after last week's catastrophic mud slide.

Britain to Allow Deficit, Joining European Move To Lift Growth

Spain, Portugal and Sweden Cut Interest Rates, Prompting Talk of Additional Reductions

By Tom Buerkle
International Herald Tribune

LONDON — In a clear sign of the growth-oriented policies taking root across Europe, the British government announced Tuesday that it would maintain its spending plans and allow government borrowing to increase in the face of an economic slowdown.

The announcement came as central banks cut interest rates in Spain, Portugal and Sweden, and analysts bet that the Bank of England would cut British rates on Thursday.

The reductions fueled speculation of further cuts in European interest rates and caused the Deutsche mark to weaken against the U.S. dollar. In Frankfurt, however, Wim Duisenberg, head of the European Central Bank, vowed to ignore political pressure to ease monetary policy, and analysts called a rate cut by the German Bundesbank highly unlikely. (Page 13.)

The fiscal and monetary developments underlined a recent change in emphasis across Europe toward more stimulative economic policies, particularly since the September election of a Social Democratic-led government in Germany. The shift also has been encouraged by two cuts in U.S. interest rates this autumn, and the recent agreement of the Group of Seven industrial nations that recession — not inflation — posed the biggest risk as a result of the turbulence in global financial markets.

In London, Gordon Brown, the chancellor of the Exchequer, told the House of Commons that the slowdown of the global economy would reduce Britain's growth rate to between 1 percent and 1.5 percent next year, compared with a previous forecast of around 2 percent.

The slowdown will curb tax revenue and tip the government budget into deficit. Mr. Brown acknowledged. His forecast showed the budget moving from a surplus of £1.5 billion (\$2.5 billion) in the current fiscal year, which ends next March, to deficits of £4 billion and £5 billion in the following two years. Previously, the government was forecasting a deficit of £1 billion this year, followed by steadily rising surpluses.

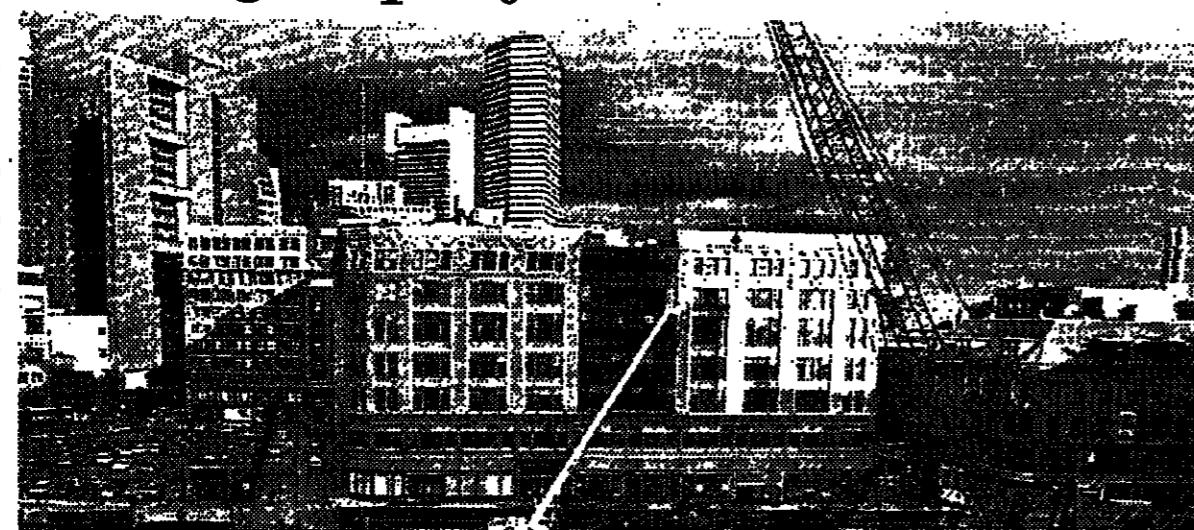
Despite the deterioration, Mr. Brown said the government would stick to its plans to increase spending on health and education by nearly £40 billion, or 5 percent a year, over the next three years. He also expressed his desire for lower interest rates, pointing out that the government's forecast showed inflation remaining subdued.

"Fiscal and monetary policy can both together contribute to stability and growth in the coming years," Mr. Brown said. His forecast saw a swift rebound in growth to around 2.5 percent in the year 2000 and 3 percent in 2001.

While the opposition Conservative Party criticized Mr. Brown's spending plans as reckless, many economists welcomed them, saying they should help support economic activity in spite of the weakness of the

See RATES, Page 10

Blue-Collar Squeeze/Top Prices for Real Estate

Boston Is Booming 'Wicked Hot,' Raising Hopes for Northern Cities

Cranes are plentiful at the Millennium Place project, which includes an office building, stores and a hotel.

By Carey Goldberg
New York Times Service

BOSTON — Boston, of course, would never do anything so utterly uncouth as to boom. But consider: Big cranes are in such demand here that builders have been looking for them as far west as the Mississippi. Architects are in short supply. Downtown commercial real estate has the lowest vacancy rate in the country, local monitors say, and the highest average rental rates, topping even San Francisco's and New York City's. Hotel rooms are often so difficult to get that reservation clerks might as well be Cabots or Lodges, for all the airs they put on.

Consider, too, that for the first time in more than five years new office towers are going up in downtown Boston, with one planned to rise higher than the landmark Prudential Center. Warnings of the dreaded "Manhattanization" of the central city can again be heard.

And this: Boston, its face already changing with the \$1 billion highway project known as the "Big Dig," is embarking on a new project so grandiose it has been compared to the creation of the graceful Back Bay section a century ago: development of the 1,000-acre (405-hectare) Seaport district in South Boston, the last great chunk of convenient empty land on the water. (Water that was once the filthiest urban harbor in the country and is now, thanks to a nearly complete \$4 billion cleanup, possibly the cleanest.)

The city, said the Boston Redevelopment Authority's director, Thomas O'Brien, using the local vernacular, "is wicked hot."

For some, it is already too hot. In legendary working-class neighborhoods like the Italian

North End and traditionally Irish South Boston, apartment rental and sale prices have nearly doubled in the last two years, as white-collar-wearers have invaded and some blue collars have been squeezed out. And advocates for the poorest Bostonians worry about still greater crowding and displacement.

But overall, Boston's resurgence is seen by many urban experts as spearheading a hopeful trend among aging northern cities emerging from decades of decay. Planners talk about an "urban surge" or "comeback cities," spurred by factors as varied as plummeting crime rates, the strong national economy, the return of empty-nesters to walkable lives and the disdain that many young, educated professionals feel for the suburbs they grew up in.

They qualify carefully. The greatest population and employment growth is still occurring in the suburbs and "exurbs," farther out, and many urban cores continue to crumble, losing people and jobs. Many parents still spurn urban school systems. And of course it is sunny cities like Atlanta, Phoenix and Las Vegas that have been booming loudest.

But from Chicago to Cleveland to Pittsburgh to Baltimore, urban scholars also note mounting signs of a popular willingness — even eagerness — to live and work and play in once-shunned centers, and of both public and private willingness to invest there.

"I think the traditional downtowns of older cities are now being kind of reimagined by people," said Alex Krieger, chairman of Harvard's department of urban planning and design. "Instead of places where you get blue-collar jobs, which is the midcentury view of the city, they're being reassimilated as the consciousness of Americans as places of culture,

leisure, entertainment, bar-hopping and service-sector jobs.

"This is one of the most interesting changes in turn-of-the-century American society," he continued. "There's this amazing shift from the city as a place where you live because you can't afford to live anywhere else, to a place where you go to have fun."

And among resurgent eastern and midwestern cities, some urban scholars say, Boston seems to be coming back the best, helped by huge public projects but also by a right-place-right-time position in the strong economy.

IN A WAY, such a high-stepping comeback seems only fair. The 20th-biggest city in the United States, with nearly 600,000 people, Boston suffered disproportionately in the last recession. As New England hit the worst economic times of any region since the Depression, the Boston-area overbuilding of the mid-1980s turned, by the end of the decade, to speculative despair.

It took until last year to regain all the recession jobs lost and sop up the extra office space. But now, history seems to be smiling again on the intellectual and cultural peacock of a town that calls itself The Hub and the Athens of America. In a traditional toast, Boston is also called "The Home of the Bean and the Cod"; but now at just the right time, it is more of a home to the bit and the doc — a capital of financial services, medicine and high technology, all fields that have particularly thrived in this thriving economy.

That economic diversity should help cushion Boston from financial shocks like this summer's stock market "correction," said Thomas Menino, Boston's first Italian-American mayor and a nuts-and-bolts kind of guy whose business-friendly approach has helped fuel the city's growth.

"Boston depends on four different economies — academia, health care, mutual funds and tourism," he said, speaking in the cavernous City Hall office that is unhappily compared to a racquetball court. "Most cities depend on one segment of the economy."

Of late, economic uncertainty has led to tighter credit for commercial real estate deals here, and economists predict a slowing in the city's growth rate. They also warn of an impending labor shortage, particularly of skilled workers. But at the same time, they point to the flip side of prosperity.

In the North End, for example, Nancy Caruso, a pillar of the dense, saucy-scented neighborhood who has lived there for 50 years, said she got cards and letters almost every day asking whether she might not like to sell her small building. Buildings bought by speculators in the 1980s for \$200,000 would now bring perhaps \$600,000, she said.

"Within the last two years, it's started to boom again, and last year it was very booming, and this year, it's just gone crazy," she said, to the point that Italian families who had moved to the suburbs and now want to come back find they cannot afford it.

The North End situation, though nice for owners, also illustrates the great downside of the city's current vigor. Boston housing has long been some of the most expensive in the nation, but the soaring prices lately have been squeezing poorer residents ever harder, particularly new immigrants.

"Every neighborhood in Boston has very strong pressures in its residential market," said

Mr. O'Brien of the Redevelopment Authority.

Real estate brokers say that in South Boston, the heavily Irish enclave that gained notoriety for its opposition to busing in the 1970s, rents have shot up perhaps 70 percent in the last 18 months. And in the traditional triple-deckers that have usually housed a family on each floor, the population is changing.

"What's happening is that the families that have lived here for so long are really becoming displaced," said Mike Foley, regional vice president for Jack Conway and Co. Realtors. "We're renting to three or four individuals who can pay \$300 a piece. Two years ago, you might have been getting \$800 for those same apartments. The marketplace has increased so drastically that South Boston families can't afford these rents."

AMONG Boston's poorest, the economic energy has helped. Marc Germain, a social worker in the Dorchester section, said, "It's easier to get a lot of young people, who are traditionally unable to get into the labor market, jobs."

But it has also hurt, said Charlotte Kahn, director of the Boston Foundation's Persistent Poverty Project. With the city's high cost of living, she said, "for people on fixed incomes or minimum wage, it has always been tough, and in this kind of boom environment, it becomes that much tougher."

"And when you factor in welfare reform, which is due to start in December, nobody knows what that's really going to mean for people — because in this environment, with costs rising and job opportunities contracting, it could be very tragic for a lot of families. We're already seeing an increase in homelessness."

More Buildings In Boston

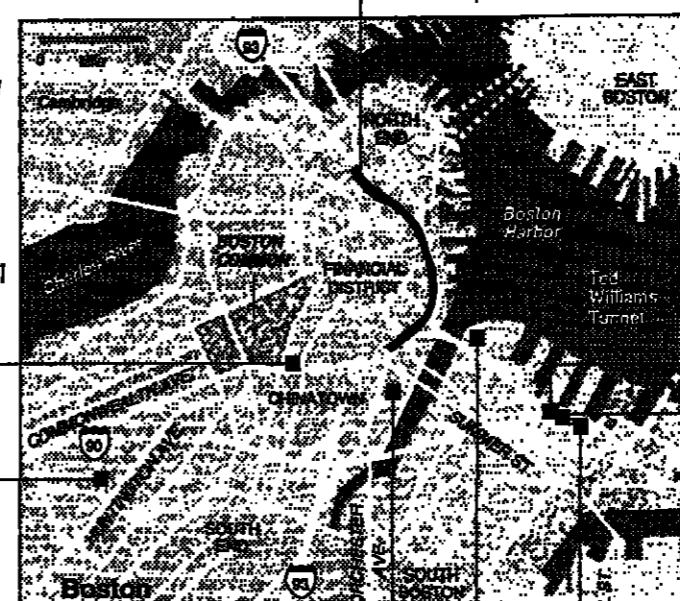
For the first time in more than five years, new office towers and hotels are being built in downtown Boston.

Millennium Place
Hotel, residential, retail
COST \$450 million
SIZE 1.4 million sq. ft.
OPEN 2000

Prudential Center
Office Tower
Commercial offices
COST \$250 million
SIZE 1 million sq. ft.
OPEN 2003

South Station Office Tower
Hotel, retail, commercial
COST \$600 million
SIZE 2.1 million sq. ft.
OPEN 2002

Source: Boston Redevelopment Authority



Federal Courthouse
COST \$185 million
SIZE 400,000 sq. ft.
OPEN September 1998

Hotel (Parcel F)
COST \$89 million
SIZE 400 rooms
OPEN 2002

Central Artery Land
27 acres of open space from moving the Central Artery underground.

Boston Harbor
Cleaner water, as a \$4.6 billion cleanup nears completion.

Seaport Hotel
COST \$40 million
SIZE 427 rooms
OPEN August 1998

East Office Tower
COST \$130 million
SIZE 504,000 sq. ft.
OPEN 2000

NYT

Losing Its Appeal, U.S. Military Fights a Battle for RecruitsBy Steven Lee Myers
New York Times Service

fallen short, and it did so disastrously, enlisting 12 percent fewer recruits than its stated goal of 55,300.

The Pentagon attributes its recruiting difficulties to many things. The economy is thriving. The unemployment rate is at its lowest level since the days of the draft. Young people are more likely than ever to go straight to college after graduating from high school — nearly 70 percent now, compared to less than half just a decade ago.

But many officials believe the armed services face a deeper problem and one more difficult to overcome: The military, simply put, no longer looms very large in young people's lives and families.

"You play sports?" Mr. Thompson was asked Monday by way of introduction.

More importantly, Petty Officer Keith Dixon wondered, had Mr. Thompson ever considered enlisting in the U.S. Navy?

Mr. Dixon and his fellow recruiter got little more than a shrug from Mr. Thompson, 19, a response all too familiar these days.

Recruiting young men and women into the U.S. all-volunteer military has never been easy, but the military now faces a crisis in recruiting that has been building for some time and, many commanders fear, could get worse.

The Pentagon has just announced that the army and the navy have each failed to reach their goals in signing up new recruits for the fiscal year that just ended. It was the first time since the draft ended in 1973 that the navy had

often inspire young people to sign up. Mr. Thompson's generation — the teenagers and 20-somethings born after 1973 — is the first whose fathers never had to face conscription.

"I can remember, when I was a little kid growing up, all I heard about was the military service of my parents," said Admiral Barbara McGinn, the navy's two-star commander in charge of recruiting. "Both my parents served. And you do grow up hearing these stories and being curious about what military service would be all about."

"I mean, that's gone forever," she added.

The difficulty in recruiting has led to shortages of enlisted personnel in the field, raising concerns in some quarters about what is called the "readiness" of the armed forces to fight — and win — a war.

Because navy recruits almost always go straight to sea after basic training, the navy's shortfall has contributed disproportionately to shortages of enlisted sailors in the fleet. Navy ships, on average, are now setting sail with only 90 percent of a full crew.

The army missed its goal to recruit 72,600 new soldiers overall by only 1 percent, but it fell far short in enlisting recruits for harder-to-fill specialties, including armor and artillery crews.

The air force and Marines, both smaller forces with more specialized appeals, met their recruiting goals for the last fiscal year; the air force though, met its goal only after speeding up the start dates of those who signed up but decided to wait to enter the service.

The Pentagon is scrambling to address the shortfalls. The \$1.1 billion that Congress approved for military "readiness" last month included \$1.13 million to help bolster recruiting.

The cost of recruiting has risen steadily. Without the infusion of new money, it now costs an average of \$7,187 per recruit, including advertising dollars, enlistment bonuses and money for college. In 1989, each recruit cost \$5,460, in dollars adjusted for inflation.

The navy and the army have hired new recruiters, and they have flooded

television with new advertising that they hope will reach today's youth.

In mid-October, the army began broadcasting new commercials. They replace the current gauzy testimonials of soldiers who say they have made something of themselves with jolting ads that mix staccato Nike-like images and pulsating music. "Are you ready to make real noise?" one of them asks.

Admiral McGinn and other Pentagon officials express optimism that a redoubled effort, with new ads and more recruiters, will fix any serious recruiting problems before they endanger the services.

But others argue that recruiting will thrive only when more chronic problems are addressed. In a memo sent to every army general on Oct. 7, the army's chief of staff, General Dennis Reimer, warned that the perceived gap between civilian and military pay and benefits and the high pace of army operations would continue to hurt recruiting until the situation is addressed.

The memo cited the lament of an army recruiting sergeant in Ohio: "We are asking today's youth to leave home, deploy at a moment's notice and give his life for his country for the same pay as a fry cook."

TRAVEL UPDATE

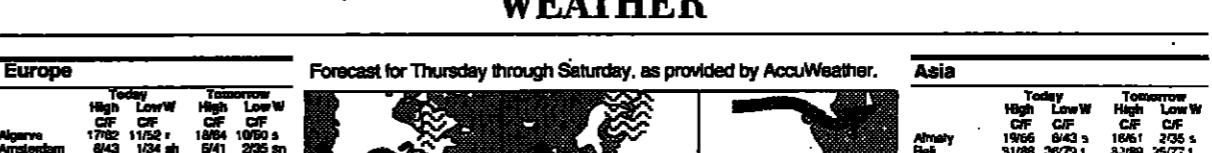
Duesseldorf Revamp

DUESSELDORF (AP) — Officials at Duesseldorf airport have announced a plan to rebuild two terminals destroyed in a 1996 fire that killed 17 people.

A consortium of companies will carry out the reconstruction of Terminals A and B, at a cost of 665 million Deutsche marks (\$402 million). Duesseldorf is Germany's busiest charter airport.

Major British and Spanish airlines have banned from air travel for life a man accused of assaulting a stewardess with a broken bottle, the tour operator Airtours announced. (AP)

WEATHER



Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe

North America

Asia

Africa

Oceania

Latin America

Middle East

Australia

South America

Caribbean

Central America

North America

South America

INTERNATIONAL

PUBLISH: It's Glossy, Flashy and a Wild Success in Vietnam

Continued from Page 1

example, has operated in Vietnam since 1994 but only received a license in late September this year. "You tell me a Communist country where it is totally legal to do anything," said Peter Kennedy, Burda-Rizzoli's Asia-Pacific managing director.

While some of Phu Nu's photos and articles are locally produced, much of the magazine's content—including a recent feature on disfigurement through failed face-lifts—are almost direct translations from Burda's German-based Lisa magazine.

Several other recent arrivals on Vietnam's newsstands also bear a striking resemblance in layout and content to periodicals put out by some of the world's most influential publishing houses. These include the Vietnamese-language PC World, which includes translations from the Ziff-Davis publication of the same title, and Van Hoa woman's magazine, which regularly runs articles translated from international editions of Hachette-Filipacchi's Elle. Yet none of these magazines indicate in print that foreign investment is involved.

The Vietnamese authorities regularly censor publications imported from overseas and remain extremely wary of foreign involvement in ventures affecting culture or mass media.

Any cooperation with a foreign media company requires a government license, but only the Swiss publishing company Ringier and the Australian Consolidated Press have permits, according to the Ministry of Planning and Investment's project monitoring department. No new joint venture licenses have been granted since 1996, a department official added.

A foray into women's publishing here by Hachette-Filipacchi last year—with *Femme Moderne*—ended with a government shutdown after just one issue due to lack of authorization.

Burda-Rizzoli officials in Vietnam initially denied any links with Phu Nu, and in fact led a reporter on a tour of their premises, which they portrayed as a data-

entry operation engaged in retyping German dictionaries. But Mr. Kennedy later said that the European publisher operates in Vietnam with high-level government consent under a "somewhat different" structure from most foreign investors.

"Are we an illegal foreign investment? You could say it and you could not say it," he said. "We have been allowed to operate and the government knows we are there and have met ministers of the highest level."

A member of Phu Nu's editorial staff described importing the publication's 40 computers into Vietnam as luggage on eight international flights. Under normal circumstances, foreign investors can merely bring technical expertise to a publishing joint venture in Vietnam. The foreign company can assist with layout and business management, but all editorial content is supposed to be under control of the Vietnamese partner.

State controls on the media have loosened in recent years, bringing a flood of new advertising-driven publications onto the newsstands, but the media are still considered an important

tool for propaganda that officials emphasize should not become too commercial or consumer-oriented.

"The party regards mass media groups as frontline soldiers on the cultural ideological battlefield," Le Kha Phieu, the Communist Party general secretary, said last month.

The editor of one up-market glossy magazine was recently berated by a Communist Party ideologue for not writing enough articles on fashion for farmers, and Western-style magazines have sometimes been criticized for promoting consumerism and other values portrayed here as immoral.

Neither Burda-Rizzoli nor Ringier are making any profits from the ventures, company officials said. Both regard their ventures as long-term investments.

(The International Herald Tribune is a partner of the Rizzoli publishing group in a joint venture that produces a daily supplement of English-language news in Italy.)

Complicated regulations and being held at arm's length from editorial content by the authorities hinder foreign partners from transplanting a successful magazine formula from overseas. This probably encouraged Burda-Rizzoli to blur its involvement in Phu Nu, said Sen Hoa, deputy chief representative of Ringier. Ringier has been involved with two licensed joint-venture magazines, New Fashion and Vietnam Economic Times, since the early 1990s.

Ringier came here at the early stages of Vietnam's opening and we respect and obey all national regulations," Sen Hoa said. "We now realize that foreign companies have recently entered in secret so they can control editorial areas; we do not touch." She added, "Thanks to this increased control they can make a magazine like Phu Nu extremely successful, while it is still difficult for us to operate."

Mr. Kennedy said the comments by Ringier were "jealousy-driven," adding that Burda-Rizzoli had begun applying for an official foreign investment license.

JAPAN: Government Produces Guidelines on Sexual Harassment

Continued from Page 1

corporations. One reason is that bosses in such companies have no direct control over promotions, because all major assignments are determined by a centralized personnel department.

So even if many women find themselves under pressure to sleep with their bosses, giving in to the pressure is unlikely to advance their careers much. But whether they give in often affects the kinds of tasks they are given. In many companies, women are mostly on an "office lady" track, where they have few opportunities to advance—a limitation that perhaps reflects traditional, discriminatory attitudes toward women that underlie the harassment.

"There are Japanese people who still think that women are just cute and obedient," said Minako Nishijima, a senior official at Nikkeiren, Japan's largest labor union. "That kind of thinking has been accepted without resistance throughout history."

Japan is not remotely a litigious society, and few women have taken their complaints to court. Even if they win, the compensation awards are tiny compared to those in America. "In Japanese society, people like to settle disputes as amicably and harmoniously as possible," said Pauline Reich, a professor at Waseda University School of Law.

Still, a fear of lawsuits has led many Japanese companies to consider buying insurance that could cover them if an employee sues for sexual harassment. In a society where the word for wife, "oku-san," literally means "Mrs. In-the-Back-of-the-House," the government's new sexual harassment policy marks a major new step. Under the guidelines, women in government offices can no longer be forced to serve tea or run personal errands. And men will no longer be able to ask questions about sexual experience, or show off obscene posters or magazine photos.

Still, attitudes will be hard to change. It used to be that many women were

under pressure to quit work when they got married. These days they can work, but pressure to resign comes when they have children.

A 25-year-old college graduate who worked as a clerk at a small distribution company for nearly four years recalled similar intrusions into her private life.

"Those bosses would say, 'Why don't you get married?'" she said. "If we take a holiday, they ask, 'Are you having an arranged blind date?'"

Many men presumably think they are just being friendly, but women often resent such questions as intrusive. Many women also complain that they are always the ones asked to serve food or drink.

One of the symbols of tradition in corporations, in fact, is the tea service. At many companies, tea or coffee is served twice a day, often to the desks of all the employees, with the women having to remember who takes sugar or milk.

By next year, government offices may have to bring in self-service tea time, if women no longer care to serve.

BOOKS

OFFICIAL SECRETS

What the Nazis Planned, What the British and Americans Knew

By Richard Breitman. 325 pages. \$25. Hill and Wang.

Reviewed by Deborah E. Lipstadt

THE Holocaust seems to have become a matter of current events. The media have paid prominent attention to Swiss banks' refusal to release Holocaust victims' funds; to the use by major German firms, including Volkswagen and Mercedes, of wartime slave labor; to German insurance companies' refusal to honor policies purchased by Holocaust victims; to the Vatican's ambivalent statement on the Holocaust, and to the debate over the participation

of "ordinary Germans" in the annihilation process.

All these stories have a common theme: Rather than perpetrators or victims, they concern those who once claimed to have been bystanders to the killing process. We learned that virtually everyone who professed ignorance of the Holocaust knew far more than they claimed and many of them could have acted to rescue some Jews.

Among those who knew more than they claimed and did less than they could have were the Americans and British. Using newly released archival documents, Richard Breitman's "Official Secrets" makes some startling revelations in this regard that do so in a low-key and restrained fashion. The book would have been a welcome addition to the

corpus of work about the Allied response to the Holocaust at any time. But recent events in the Balkans, among other places, have given this discussion about "standing idly by" a contemporary resonance.

Some of Breitman's disclosures will be familiar to readers. His revelations that the British decoded German radio transmissions and gathered detailed information on the killings shortly after they commenced in mid-1941 captured headlines in many American newspapers a few months ago. By the fall of 1941, British security services knew where, when and how many had been killed.

The British argued that they could not release this information because the Germans would have deduced that their codes had been compromised. But as Breitman points out, when the British wished to, they found ways to protect their sources. Had the victims been warned, some could have fled or gone into hiding. Moreover, in a major address, Churchill revealed other information gathered from these very transmissions, but he never mentioned the killing of Jews.

Shortly after the death camps began operating, the British were also able to decode information about the movement of Jews to Auschwitz. Subsequently the Allies received information from a variety of couriers and other sources about the camp itself, the shipment of killing gas and the existence of gas chambers. Until now most historians have assumed that it was not until late 1944 that much of this information became available to the Allies.

In fact, as the newly declassified information reveals, this information was available long before then. But neither American nor British officials were willing to seriously examine the material or give it the credence that it was due. Once they did figure out what it meant, they were not moved to publicize it. Some officials continued to

dismiss it as the product of Jewish exaggeration.

The Allied officials who believed these reports kept arguing that short of winning the war there was nothing that could be done to help Jews. While this was true for the initial years of the war, by mid-1943 it was obvious that an Allied victory was in the offing. There was limited military action the Allies could have taken to rescue Jews, but they could have used direct and indirect pressure to slow down the annihilation process. They could have urged German satellite nations to refuse to participate in the killings. But most officials, with the exception of Treasury Secretary Henry Morgenthau Jr. and a few of his colleagues, thought this was not part of the Allied mandate. It was, as Breitman correctly contends, a terrible moral failure.

Contemporary critics of the Roosevelt administration argue that a significant portion of the Jews who fell victim to the Germans could have been saved if the Allies had only wanted to do so. At the other end of the spectrum are the Roosevelt supporters who, appalled by the attacks on his reputation, argue that the Allies could not have saved even one more Jew than they did.

Both of these are vast exaggerations more rooted in postwar politics than in serious historical research. The first position disregards the absolute German commitment to murder Jews and the difficulty of moving people out of war-torn Europe. Nonetheless, some Jews certainly could have been saved, and those who argue otherwise would do well to read Breitman's important book and refrain from making such patently spurious claims.

Deborah E. Lipstadt, author of "Denying the Holocaust: The Growing Assault on Truth and Memory" and Dorot professor of modern Jewish and Holocaust studies at Emory University, wrote this for The Washington Post.

BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Figures on the left are not necessarily consecutive.		
THE	LAST	WEEK
Week	Weeks	Weeks
1 BAG OF BONES, by Steven K. Jobs	1	4
2 THE VAMPIRE ARMAND, by Anne Rice	1	1
3 RAINBOW SIX, by Tom Clancy	2	11
4 WELCOME TO THE WORLD, BABY GIRL, by Fannie Flagg	7	4
5 ALL THROUGH THE NIGHT, by Mary Higgins Clark	1	1
6 THE POISONWOOD BIBLE, by Barbara Kingsolver	7	1
7 THE REEF, by Nora Roberts	4	3
8 THE LOOP, by Nicholas Bock	3	6
9 THE HUNDRED DAYS, by Peter O'Brien	5	3
10 MEMORIES OF A GEISHA, by Arthur Golden	9	49
11 I KNOW THIS MUCH IS TRUE, by Robert Lowell	8	18
12 TELL ME YOUR DREAMS, by Sidney Sheldon	6	8
13 FIELD OF THIRTEEN, by Dick Francis	12	6
14 MURDER IN A BOTTLE, by Nelson Sizer	13	28
15 SUMMER SISTERS, by Judy Blame	11	22
NONFICTION		
1 THE DEATH OF ULTRAGE, by William J. Birnes	2	8
2 TUESDAYS WITH MURKIE, by Muriel Atkinson	1	54
3 THE TEN COMMANDMENTS, by Laura Sledgeinger and Stewart	3	6
4 HIS BRIGHT LIGHT, by Daniel Steel	6	6
5 HIGH CRIMES AND MURKIES, by Ann H. Coates	11	6
6 LINDBERGH, by A. Scott Berg	4	4
7 JUST JACKIE, by Edward Kienholz	7	2
8 FIRE DRIVE, by Steve Martin	5	3
9 THE PROFESSOR AND THE MADMAN, by Simon Winchester	8	5
10 THE SECRET WITH EMOTIONAL INTELLIGENCE, by Daniel Goleman	15	2
11 A PIRATE LOOKS AT FIFTY, by Jimmy Buffet	9	20
12 THE WOODS, by Bill Bryson	14	21
13 DAVE BARRY TURNS 50, by Dave Barry	1	1
14 ANGELA'S ASHES, by Frank McCourt	110	10
15 CONVERSATIONS WITH GOD, Book 1, by Neale Donald Walsch	13	98
ADVICE, HOW-TO AND MISCELLANEOUS		
1 SOMETHING MORE, by Sarah Ben Bradinsky	1	1
2 IF LIFE IS A GAME, THESE ARE THE RULES, by Cherie Carter-Scott	3	5
3 THE 9 STEPS TO FINANCIAL FREEDOM, by Suze Orman	1	30
4 SUGAR RUSTERS, by H. Leighston Stewart et al.	3	25

EUROPE

Schroeder Looks Abroad to Reassure Allies

By William Drozdiak
Washington Post Service

BERLIN — During his election campaign, Gerhard Schroeder unabashedly stole a page from Bill Clinton's book and vowed he would focus like a laser beam on the economy. Even after he defeated Helmut Kohl in September, the new German chancellor declared that his government would stand or fall on its record in creating jobs.

But after his election, Mr. Schroeder quickly embarked on an extensive series of foreign trips with the ostensible goal of reassuring his foreign counterparts that he plans no radical departures from the Kohl era.

Having visited Paris and Washington just days after his election, Mr. Schroeder traveled to Britain on Monday to meet with Prime Minister Tony Blair. He will also go to the Netherlands and Poland this week and afterward will pay a working visit to Moscow and make an appearance at a Baltic regional conference.

The hectic itinerary for a Social Democratic politician with little background or interest in foreign affairs was conceived by Mr. Schroeder's advisers as a way to demonstrate his desire to maintain friendly relations with Germany's main allies and im-

mediate neighbors. Senior officials acknowledge that the whirlwind tour also was designed to quell any anxieties abroad about Mr. Schroeder after 16 years of a Kohl-led Germany.

Mr. Schroeder's lack of previous involvement in world affairs, foreign diplomats say, is compounded by the inexperience of his foreign minister, Joschka Fischer, leader of the environmentalist Greens.

"The learning curve of these two fellows could be long and slow," a senior U.S. official said. "It will be very different than the days of Kohl, Schmidt and Brandt." He was referring to Mr. Kohl's predecessors as chancellor, Helmut Schmidt and Willy Brandt.

Recognizing that Germany's allies may be worried by the Greens' pacifist and anti-nuclear roots, Mr. Fischer has decided to build up trust with his new peers. He was to meet Tuesday in Washington with Secretary of State Madeleine Albright and then travel to New York to see the United Nations' secretary-general, Kofi Annan.

Mr. Fischer passed his baptism of fire by managing to skirt a potential

dispute with London and Paris over whether Germany would accord upgraded status to Britain that could rival its close partnership with France.

"Whether you talk of an axis with France or a triangle with Britain," Mr. Fischer said, "this smacks of 19th-century nationalism that has no place in today's Europe."

A former taxi driver and self-described street revolutionary, Mr. Fischer, insists he will conduct foreign policy based on German and European interests, not the political ideals of the Greens.

He has retained Wolfgang Ischinger and Hans-Friedrich von Ploetz, two senior diplomats, as his top counselors, and plans to appoint Karsten Voigt, a Social Democrat respected for his expertise in security issues, as Germany's next ambassador to the United States.

Both Mr. Schroeder and Mr. Fischer say they would prefer to see Germany channel its influence through multilateral institutions such as the North Atlantic Treaty Organization and the European Union.

But after only a week in office, some new accents suggest that a gov-

ernment run by the Social Democrats and Greens is likely to make significant course corrections in key foreign and security policies.

The Social Democrats and the Greens have long supported ambitious disarmament proposals that may cause friction with the United States. As NATO embarks on a major strategy review, many critics of nuclear weapons expect the new German government to argue for pledges of "no first use" of nuclear weapons and other initiatives to wean the alliance from its dependence on those weapons as a strategic deterrent.

In addition, although Germany joined other NATO states in approving air strikes against Yugoslavia unless it halted its military action against ethnic Albanians in Kosovo, senior German officials said any new crisis would require a reappraisal of whether such attacks could be launched without the explicit approval of the UN Security Council.

Mr. Schroeder's government also has served notice that it wants major reforms in global financial markets to prevent risky lending practices and disruptive capital flows. Germany's new desire to use state powers to rein in global markets has prompted some chagrin within the Clinton administration, which has been skeptical about interfering with the markets.

armed struggle without conditions or an end date, one aide said.

The leftist hard-line separatist political party linked to the rebels, he added, has expressed respect for the results of the Basque parliamentary elections last month in which moderate Basque nationalists prevailed.

The government insisted that it would not reveal the timing, location and the participants in the initial talks, although one aide said he had heard speculation that they might be held in neighboring France, or Belgium, or even Mexico.

They would be the government's first officially acknowledged contacts since 1989 with the world of the ETA, whose initials in the Basque language stand for Basque Homeland and Liberty. And the first ever by a conservative government.

The previous talks under the Socialist government lasted just a few months in early 1989 before breaking off, with both sides blaming the other, and the cycle of violence continued.

But officials expressed hope that this time would be different because police arrests have thinned the ranks of the rebels, who have also been pressured by unprecedented and massive street demonstrations in Spain since last year.

The learning curve of these two fellows could be long and slow.

By William Drozdiak
Washington Post Service

BRIEFLY

EU to Vote on Ending Beef Ban

BRUSSELS — A proposal to end the European Union's worldwide embargo on British beef, imposed because of fears of "mad cow" disease, is to be put to a vote Wednesday in a move expected to lead to the ban being lifted by the end of the year, EU officials said Tuesday.

The proposal before the EU's Standing Veterinary Committee calls for exports to be authorized for beef from cattle born after Aug. 1, 1996, or those under 30 months of age that have had no contact with herds with a history of the disease, bovine spongiform encephalopathy. (AP)

Judge Tries Again on Pinochet

MADRID — A Spanish magistrate reappeared Tuesday for the extradition of Augusto Pinochet, who is free on bail and in a private hospital in Britain, legal sources said.

The magistrate, Baltasar Garzon, acted on behalf of families with relatives murdered in Chile during the Pinochet regime. He initiated the process that led to Mr. Pinochet's arrest in London on Oct. 6. The British High Court has ruled that the former dictator, 82, cannot be extradited. The House of Lords is to hear an appeal starting Wednesday. (AP)

Greek Leader Likely to Prevail

ATHENS — Greece's Socialist government was set to win a parliamentary confidence vote Tuesday despite divisions over fiscal measures taken to lead the country into Europe's single currency.

The governing party holds 160 seats in the 300-seat Parliament. The office of Prime Minister Costas Simitis has warned that any Socialist deputy who votes against the government will be expelled from the party. (Reuters)

For the Record

Bruno Megret, the No. 2 man in France's far-right National Front, said he would run for mayor of Marseille in 2001 with the approval of the group's leader, Jean-Marie Le Pen. (AP)



COURT APPEARANCE — Nada Sakic, 72, a Croatian woman suspected of torturing inmates in the country's most notorious World War II camp, told a judge in Zagreb on Tuesday that she did not want to waste her time answering the charges.

Primakov Is Warned of 'Rotting' Graft

Legislator Accuses Top Officials in Russian Government of Corruption

By Michael Wines
New York Times Service

New York Times Service

MOSCOW — Russia's capital city, which has seemed unwilling to muster even modest outrage anymore on questions of politicians and politics, is suddenly buzzing over an allegation that virtually all Muscovites regard as a given: that the government is corrupt.

The accuser is Grigori Yavlinsky, a respected, if ideologically committed, reform-minded legislator who was the first politician to promote Yevgeni Primakov for the post of prime minister last month.

On Monday, in a move blunt even by the bare-knuckled rules of Russian political debate, Mr. Yavlinsky gave Mr. Primakov a letter seeking investigations of the conduct of his two highest-ranking aides, two subordinates directly beneath them and a ranking official of the state tax service.

The letter is signed by three members of Mr. Yavlinsky's Yabloko political faction, which holds a sliver of seats in the lower house of Parliament. But the message belonged to Mr. Yavlinsky himself, who said at a news conference Monday night that "corruption is an abso-

lutely rotting element of all power bodies, and probably most of all in the Russian government."

Among 16 specific charges, Mr. Yavlinsky's letter questions whether First Deputy Prime Minister Yuri Maslyukov, a Communist and the government's senior economic adviser, steered government money or favors to businesses in which he or his relatives held an interest. It also asks whether First Deputy Prime Minister Vadim Gustov, the former governor of the Leningrad region, has funneled favors to businesses that financed his gubernatorial campaign.

Elsewhere, Mr. Yavlinsky's letter raises questions about the agriculture minister's conduct when he held the same post in the last days of the Soviet Union and later as an official of a major bank.

It also asks what favors several officials granted to businesses seeking exemptions from government rules and what benefits those exemptions brought about.

Mr. Maslyukov's office alone has received more than 300 requests for special treatment from businesses and other groups, he said.

As spokesman for Mr. Maslyukov, perhaps the central target of Mr. Yavlinsky's charges, called the charges

down his offer of a job in the new government, saying Mr. Yavlinsky must have rejected it "because he did not have enough money to pay for the post."

Ordinary Russians may fail to see the humor. The network television public-affairs program "Vlog" focused on Mr. Yavlinsky's charges Sunday, before the Yabloko letter was released.

Asked to register their opinion on whether Mr. Primakov's government was indeed corrupt, 16,500 people responded within a few hours. More than 92 percent of them answered yes.

That was not entirely unexpected. Corruption was a fact under Soviet rule, both among regular citizens striving to eke out a living and high officeholders.



The arrow gets to the point of the news.

<http://www.natexis.com>

With BT, you can choose from many European communications companies. So there's only one choice.

By the year 2000, over 95% of the world's telecoms markets will be deregulated, expanding your business opportunities...and your choice of communications companies.

So how to choose between them? BT is making it easier. We have invested over

£1.8bn developing alliances within Europe to bring you the benefits of our combined knowledge. Perhaps that's why over 80% of the Fortune top 500 companies work with us.

To choose one telecoms partner with the experience of many, Let's talk.

Call us on +44 117 980 7788 or visit our website at www.btglobal.com/euro



مكتبة الأصل

INTERNATIONAL

With Kosovo's Health System a Casualty, Civilians Die

By Mike O'Connor
New York Times Service

PRISTINA, Yugoslavia — The climate of fear in Kosovo during the Yugoslav government's offensive against ethnic Albanian rebels has caused the rural health system to collapse, aid workers and the few remaining health workers say, and hundreds of civilians may have died as a result.

The workers also say that doctors who have been treating civilian victims of the war have been arrested, beaten and in at least two cases killed by government forces.

While aid workers contend that they see a pattern of attacks on doctors, it is unclear whether it is an intentional effort to destroy the health care system or the inevitable result of war.

Many of the doctors who previously served the rural population have been afraid to give medical care to civilians in areas controlled by rebels, aid officials say. The few doctors who remained behind rebel lines are working without supplies and equipment, and in many cases their clinics have been destroyed.

Doctors say that even with a cease-

fire that is allowing many civilians to return to their villages, fear among doctors and their patients is so high that people continue to die needlessly for lack of care.

Government troops have destroyed many villages, including health clinics, and hundreds of civilians have died during their offensive against ethnic Albanian guerrillas. Many civilians in rebel-held areas are afraid to go to government-controlled areas for needed care, international medical officials say.

Confronting a panorama of misery and illness, those officials say they do not have exact numbers of civilians who have died without treatment or of physicians who have been stopped from treating the ill. But they say that about 20 doctors have been arrested or have fled the country and that hundreds of civilians may have died because of the collapse of the rural health care system.

"This is a systematic policy on the part of the government," said a senior official of an international health agency, who spoke on condition of anonymity. "It is intended to remove medical people and to destroy the rural health care as much as they can get away with. It's working fairly well."

Yugoslav government officials said that there was no policy of intimidating health care workers and that the doctors who had been arrested were guilty of supporting armed insurgents.

In the area of Kosovo around Orahovac, and in other areas, civilians are afraid that if they leave rural zones where the rebels dominate to seek health care in the regional hospital, they will be arrested. For these people, medical care has virtually stopped, except for the simplest treatments or for care offered by the occasional visiting foreign doctors from aid agencies.

On a rural road in the Orahovac region Sunday, a panic-stricken man, whose wife gave birth 10 minutes earlier, flagged down a car with a journalist in it and said: "My wife just had the baby, and then she lost consciousness. Get her to the hospital. No one from this area is safe taking her there."

The nearest medical clinic was destroyed by government forces. A district health center in Malisevo is empty of staff and medicine, its doors barricaded and possibly booby-trapped by the Serbian police like other places in this area.

The man and his wife had returned only the day before from three months

of living in the open in the forest while hiding from government forces who had overrun and looted their village.

The woman and the baby were driven to the government hospital in Orahovac. The woman's husband, fearing arrest, did not accompany them. From Orahovac, they were transferred to Pristina, where the woman remained in critical condition late Monday. The baby girl survived.

Local doctors say many of their colleagues have fled or have been arrested, sometimes on charges of aiding the rebels. Those remaining work without adequate medication or even electricity.

After destroying many villages and displacing more than 250,000 people, the government has withdrawn many of its forces from Kosovo under threats of NATO air strikes. But the fear remains. And as civilians who fled begin to come out of hiding and return to their villages, they and the doctors who cared for them report that many villagers died while on the run.

"We woke up to the sound of artillery shells coming in, and we just started to run," said a doctor in the village of Kiska Reka. "There was no time to take medicine."

The doctor would only give his first

name, Ismet, saying he feared arrest.

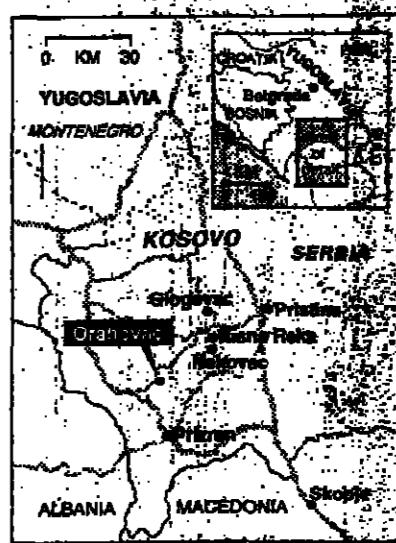
"In the mountains the old people and the babies were the weakest," he said, "and we could not help them all. Unfortunately, some died." His clinic was destroyed. He has put together something makeshift and rather primitive.

"This is where I will stay for a long time," he said, "because for me it is too dangerous to leave." Asked if he was perhaps being too cautious, he named four doctors, personal friends, two of whom had been killed, he said, and two of whom had been arrested.

In central Kosovo, two other doctors sat in their hideout Sunday. Although they were well behind rebel lines, a 9mm pistol was within quick reach on a window ledge. "I haven't moved from this area for eight months," said Dr. Gani Halilaj. "I know what will happen if they get me."

The other physician, Dr. Fadil Beka, said: "Whenever the police interrogate someone from around here they always ask where the doctors are. But I have a good conscience. I know that doctors are here to help people, anyone who needs their help."

Dr. Beka, a surgeon, estimated he had done 300 operations in three months, somewhat less than half



on wounded rebel fighters.

The two doctors said they believed physicians in an area with about 10,000 people and that lack of medical supplies along with unsanitary living conditions had killed many of their patients.

Dr. Beka, speaking of the regional health center in the nearest town where the two doctors once worked, said: "Before the offensive, five other doctors used to come here, our colleagues from Glogovac. But it is too dangerous now and they won't take the risk."

France Says Spy Incident Will Not Hurt NATO Ties

Accused Major Reportedly Lacked Top Access

By Charles Trueheart
Washington Post Service

PARIS — The French government on Tuesday rejected suggestions that its credibility with allies would suffer from a French Army officer's stunning confession to having passed sensitive information about NATO bombing targets to Serbian agents last month.

The officer, Pierre Bunel, a major in the French Army, was working at NATO headquarters in Brussels as chief of staff to France's top military representative, General Pierre Wiroth, when his behavior reportedly aroused the suspicions of France's military intelligence service.

Sources in Paris and Brussels said it was not likely that Major Bunel had access to any detailed targeting plans, which are held closely by NATO's U.S.-dominated military leadership, but rather may have known in more general terms about possible military sites.

France is not part of the alliance's military command structure, and Major Bunel's duties and security clearance in Brussels reflected that limited role, the sources said.

A 26-year career language specialist who was decorated by the United States for his role in the Gulf War, Major Bunel was arrested and questioned by the French Defense Protection and Security Directorate about two weeks ago.

After notifying Washington and other allies that a likely French spy had been caught, Defense Minister Alain Richard turned the case over to a civilian investigating magistrate, Gilbert Thiel, Friday. Major Bunel was jailed Saturday.

French government press officials on Tuesday rejected the idea that the spy case would damage France's relations with its allies. The Defense Ministry's Jean-Francois Bureau said "there is no sign of any change in relations." The Foreign Ministry's Anne Gazeau-Secret told a reporter who raised the



Pierre Bunel, left, arrested for passing NATO secrets to the Serbs, is flanked by General Michel Roquejoffre in a 1990 photo in Saudi Arabia.

question, "You're joking."

But for the daily newspaper Libération, even an individual case of spying for Serbs "can only reinforce the bad

reputation from which the French Army suffers, notably among American and British armed services, in the former Yugoslavia."

bian authorities began a crackdown on ethnic Albanian separatist guerrillas in February.

The number of people camped in the open, however, has dropped considerably, since President Slobodan Milošević of Yugoslavia pulled his troops out of the province last week, said Jacques Franquin, a spokesman for the UN High Commissioner for Refugees in Geneva.

Mr. Franquin said the number living in the open was now estimated to be "a few hundred." He cautioned that the numbers were "very approximate" because many of those displaced in the crackdown had not returned home but were staying with neighbors or relatives.

On Tuesday, however, a regional command of the rebel Kosovo Liberation Army asserted that Serbian forces have not been withdrawing from checkpoints in the west of the province.

The report could not be independently confirmed; there was no immediate response from the Serbian side.

Only a 'Few Hundred' Thought to Lack Shelter

But UN Agency Says Kosovo Count Is Rough

The Associated Press

PRISTINA, Yugoslavia — A week after NATO's decision not to strike against Yugoslavia, the UN refugee agency said Tuesday that thousands of displaced people in Kosovo Province had found shelter, as shuttle diplomacy moved into a second round.

A U.S. envoy, Christopher Hill, met Tuesday with the ethnic Albanian leader, Ibrahim Rugova, in the provincial capital, Pristina, for discussions on a draft agreement. On Monday, Mr. Hill held separate talks with the Serbian president, Milan Milutinovic, and a European Union envoy, Wolfgang Petritsch, after arriving from the Macedonian capital, Skopje.

Mr. Hill, U.S. ambassador to Macedonia, has led international efforts to bring the two sides closer to a political solution for the Serbian province. Hundreds of people have been killed and at least 250,000 others have been forced from their homes in Kosovo since Ser-

bian authorities began a crackdown on ethnic Albanian separatist guerrillas in February.

The number of people camped in the open, however, has dropped considerably, since President Slobodan Milošević of Yugoslavia pulled his troops out of the province last week, said Jacques Franquin, a spokesman for the UN High Commissioner for Refugees in Geneva.

Mr. Franquin said the number living in the open was now estimated to be "a few hundred." He cautioned that the numbers were "very approximate" because many of those displaced in the crackdown had not returned home but were staying with neighbors or relatives.

On Tuesday, however, a regional command of the rebel Kosovo Liberation Army asserted that Serbian forces have not been withdrawing from checkpoints in the west of the province.

The report could not be independently confirmed; there was no immediate response from the Serbian side.

Mideast Rivals Make Appeal to U.S.

Israeli-Palestinian Disputes Put Fragile Peace Agreement at Risk

By Deborah Sontag
New York Times Service

JERUSALEM — The fragile understanding between the Israelis and the Palestinians was severely tested on Tuesday as both sides appealed to the United States to salvage the peace agreement, underscoring the central role that the Americans have accepted as arbiter of the memorandum signed at the White House a week ago.

Prime Minister Benjamin Netanyahu of Israel again postponed presenting the agreement to his cabinet for ratification on Tuesday, demanding that the Americans wrest from the Palestinians a specific timetable, in writing, for arresting 20 fugitives wanted for terrorism.

And the Palestinians, accusing Mr. Netanyahu of political brinksmanship, implored the Americans to compel the Israelis to move beyond an impasse that jeopardizes the accord. The Palestinians said the Israelis were taking advantage of the delay to establish new Jewish settlements in the West Bank, which would be illegal once the agreement takes effect.

The Americans said that the Palestinians had submitted an acceptable security plan, meeting their obligations for the accord to take effect. Joe Lockhart, a White House spokesman, referred to the timetable as part of "other concerns" raised by Mr. Netanyahu.

But two senior Israeli ministers said the Palestinians were supposed to and did not include a timetable for the fugitives' arrest in the security blueprint, which is a classified document.

Natan Sharansky, the trade minister, said the Israelis had wanted in writing a

verbal commitment that the Palestinians had given during negotiations at the Wye Plantation in Maryland: that the fugitives would be arrested 10 at a time on the second, sixth and 10th week of the 12-week implementation.

"It's not just a detail, it's one of the more central parts, and when we finally got the plan from the Americans, it was absent," Mr. Sharansky said. "This needs to be fixed, and it can only be fixed through the Americans, and we expect to see very clear language from the United States. We need dates and figures, something that can be checked and controlled."

Several senior Palestinian officials, on the other hand, said the Israelis were treading dangerous ground in trying to force sensitive security issues out into the open. Saeb Erekat, who was a top negotiator in Maryland, said the Israelis were trying to humiliate the Palestinian officials before their own people.

"They are going out of their way to make it seem like we are agents of the Israelis, ready to do their bidding," Mr. Erekat said. "We have prepared a security plan. The Americans have accepted it. The Americans should intervene immediately to make Netanyahu honor his commitments, or this will go on forever and he will never be satisfied."

An Israeli official said the prime minister's representatives made a phone call at 3 A.M. Washington time to Dennis Ross, the American peace envoy, to ask that the timetable for the arrests be put in writing before the cabinet meeting scheduled for Tuesday afternoon.

In Israel, political analysts struggled to guess at Mr. Netanyahu's motiva-

tions for canceling his cabinet meeting, further delaying an implementation plan that is on a very tight schedule.

Some speculated that he was buying time until American forces, the foreign minister, recovered from the trauma of being faced down by the "right-wing" opposition among his junior ministers. Others believed he was trying to show that and overcame last concession from the Palestinians, not just to win a victory, but a decisive majority, in the cabinet ratification vote.

"I think he wants to pull out all the stops and make the American impressive victory with complete fizzle," said David Makovsky, a diplomatic correspondent for *The Washington Post*, a daily newspaper.

And still others wondered if there were genuine ideology rather than political pragmatism, striking a last-minute spasm of mistrust over the Palestinians' intentions.

■ Protest in East Jerusalem

Israeli peace activists protested the construction of a Jewish neighborhood in traditionally Arab East Jerusalem on Tuesday, and five demonstrators were arrested after stopping in front of the U.S. embassy. The Associated Press reported from Jerusalem.

The protest in the Ramat Shlomo neighborhood was organized by a group, Now, which favors the creation of a Palestinian capital in East Jerusalem, which Israel captured in the 1967 Middle East war.

The 1.6 hectare construction site is owned by an American millionaire, Irvin Moskowitz, a supporter of Jewish settlers who plans to build 75 units on the site.

Obasanjo, Ex-Military Ruler To Seek Nigerian Presidency

Compiled by Our Staff From Reuters

OTTAWA, Nigeria — General Olusegun Obasanjo, the only Nigerian military ruler to step down voluntarily from power, said Tuesday that he would run for president in elections set for February.

"I am here to inform you that I have decided to offer to serve our country again," General Obasanjo said at his farm at Ota, 40 kilometers (25 miles) north of Lagos. "I therefore intend to seek the nomination of our party, the People's Democratic Party, as its presidential candidate."

General Obasanjo was a key aide to General Murtala Mohammed, the military ruler, General Abdulsalami Abubakar, in June, three years into a 15-year jail term for an alleged plot to topple the late dictator Sani Abacha.

General Obasanjo was a key aide to General Murtala Mohammed, the military ruler, General Abdulsalami Abubakar, in June, three years into a 15-year jail term for an alleged plot to topple the late dictator Sani Abacha.

You never
actually own a Patek Philippe
You merely look after it for
the next generation. The new men's
Travel Time with dual hour hands.
One local time. The other, home. Begin your own tradition.

PATEK PHILIPPE
GENEVE

Men's Travel Time, ref. 5034. For information: Patek Philippe S.A., P.O. Box 2654, 1211 Geneva 2, Switzerland.
Tel: (41 22) 884 20 20. www.patek.com

مكتبة الأصل

**BUSINESS TO e-BUSINESS:
GOVERNMENT**
Fax or e-mail your mailing address for a free reprint
Fax: +33 1 41 63 92 13 / E-Mail: supplements@ihf.com
Herald Tribune
The World's Daily Newspaper

ASIA/PACIFIC

Police Witness Says Sex Investigation of Anwar Started in '92

By Keith Richburg
Washington Post Service

KUALA LUMPUR.—The politically explosive sex-and-corruption trial of Malaysia's former deputy prime minister moved Tuesday from legal wrangling to the substance of the charges against him, with a senior intelligence officer testifying that police had opened an investigation into Anwar Ibrahim's sexual practices as early as 1992.

Mohammed Said Awang, the director of the police's special branch, appearing as the government's first witness against the popular Mr. Anwar, said allegations of sexual misconduct first surfaced six years ago when Mr. Anwar was finance minister, and he said the police then opened an investigation code-named Solid Grip.

Mr. Anwar, who was appointed deputy prime minister in 1995 and until September was Malaysia's second most powerful politician and the designated heir to Prime Minister Mahathir bin Mohamad, has been charged with five counts of sodomy and five counts of corruption. The trial on four of those charges opened Monday.

The corruption counts center on government accusations that Mr. Anwar used his powerful position to get police to quash the investigation into his alleged sexual misdeeds.

The special-branch director testified Tuesday that in August 1997, Mr. Anwar called for a meeting to discuss what he called wild allegations circulating about him. Government prosecutors contend that Mr. Anwar tried to tamper with the police inquiry. But Mr. Mohammed Said said only that "Anwar asked me to look into the matter."

Mr. Anwar has pleaded not guilty to all the charges against him and has accused Mr. Mahathir, his onetime mentor, of using trumped-up allegations to discredit his name and remove a popular political rival.

Mr. Anwar's arrest Sept. 20 ignited an outpouring of public protest in Malaysia against Mr. Mahathir and has brought to the surface pent-up frustrations with the country's political system, restrictions on its press, a police force seen by many as out of control and a judicial system that some fear has become a tool of the ruling elite.

The credibility problems for the gov-

ernment and the police worsened in September when Mr. Anwar emerged from a week in police detention with a black eye and other signs of what he said was a severe beating that left him unconscious. Mr. Mahathir, who is also the minister for home affairs, promised on Sept. 30 to fully investigate Mr. Anwar's claim that he was beaten in custody, but more than a month later, no result of any inquiry has been announced.

Since his arrest, Mr. Anwar's supporters and others fed up with the country's closed political system have been staging weekly demonstrations calling for Mr. Mahathir to resign. One of those protests turned violent after police used water cannons to disperse a crowd emerging from the city's main mosque.

Tuesday, troops armed with automati-

c rifles and wearing red helmets and shields put a heavy cordon around the courthouse where the trial was being held. Only a few hundred people gathered on the periphery of the police lines.

The sensational case has also attracted intense international interest, particularly because Mr. Anwar, before his dismissal and arrest, had been widely touted as a kind of new breed Asian leader who was more democratic and more sophisticated in economic management, than the 72-year-old Mr. Mahathir, who rose to power through the past struggles against European colonialism. Mr. Anwar, who is 51, counts among his personal friends President B. J. Habibie of Indonesia, and President Joseph Estrada of the Philippines, both of whom have publicly come to his defense.

Tuesday, troops armed with automati-

Many Malaysians were shocked and skeptical when Mr. Mahathir first raised the accusation that his heir apparent was a serial sodomist who had abused his power by instructing the police to cover up his sexual dalliances with men.

Mr. Anwar has long cultivated an image here as a devout Muslim, and he is married and a father of six. Not until he began falling out from Mr. Mahathir over economic policy, with the two men clashing sharply over how to respond to the Asian financial crisis that broke out last year, did any allegations of sexual impropriety surface publicly.

In presenting Mr. Mohammed Said as their first witness, government prosecutors appeared to want to show that the accusations of sexual misconduct were not new.

Mr. Mohammed Said said he first learned of the Solid Grip investigation

from two colleagues who briefed him in 1997 after more allegations surfaced, attributed to Mr. Anwar's driver, Azizan Abu Bakar, and a female acquaintance, Ummi Hafida Ali, who was the sister of Mr. Anwar's private secretary.

Mr. Anwar, according to prosecutors, met with Mr. Mohammed Said and his special-branch deputy, Amir Junus, at his official residence in August 1997 and instructed them to obtain written statements from the driver and the woman denying any sexual misconduct on Mr. Anwar's part.

The two did submit written statements denying Mr. Anwar had done anything wrong, and the crux of the government charges is that Mr. Anwar had tampered with the investigation by instructing the police officials to obtain those statements.

Beijing Allows Private Groups

BEIJING — China has opened the door to the creation of private social organizations but warned that such groups require government clearance and must firmly uphold Communist Party rule, official media said Tuesday.

Under guidelines promulgated by the State Council, or cabinet, Oct. 25, private organizations with more than 50 members are eligible for government approval. The 40-article Social Organization Registration Regulations made no provisions for the formation of political parties.

Opposition activists who have been trying to register an opposition party since June have been detained or harassed by local authorities. The new rules specifically bar individuals who have been stripped of their political rights or are "not acting in accord with the will of the people" from applying to form social organizations. (Reuters)

Reporter Slain In Philippines

GENERAL SANTOS, Philippines — A Philippine journalist was shot to death in the southern town of Digos, the police said Tuesday.

Dominador Bentulan, a provincial correspondent of the state-run Philippine News Agency, was shot in the head over the weekend by four unidentified motorcyclists, the police said, adding that no motive was immediately apparent.

Mr. Bentulan was the 33rd Philippine journalist to be slain since the end of the Ferdinand Marcos dictatorship in 1986. Many of the previous victims were known for exposing official corruption and abuses by the military and the police.

For the Record

More than 300 villagers died from malaria in northern India in September and October because government doctors gave them medicines that had expired nearly two years earlier and were no longer effective, the director-general of health for Uttar Pradesh state admitted Tuesday. (AP)



Anwar Ibrahim leaving the Malaysian High Court on Tuesday after the second day of his criminal trial.

Agent Orange Lingers in Vietnam, Study Finds

By David Lamb
Los Angeles Times Service

"As Western-based scientists, we can hardly recommend less be done in Vietnam."

Hatfield spent five years researching the effects of the deforestation chemicals that were sprayed by the United States during the Vietnam War that contaminated Vietnam's food chain, creating serious environmental and health problems that demand urgent international attention, according to a Canadian consulting company.

"If such data were collected in most Western jurisdictions, based on similar sampling levels, major environmental cleanup and more extensive studies would be mandated and implemented," said the report by Hatfield Consultants Ltd.

food chain. It also found elevated levels in fish and animal tissue.

The study made no attempt to determine the number of people affected, and its authors were cautious about the politically charged relationship between Agent Orange and birth deformities, saying that epidemiological investigations were needed to establish a defensible link.

Like Agent Orange itself, the report is likely to be controversial and will be used by Vietnam to make its case that the country has a serious environmental and health problem that the world has ignored for a generation.

Hanoi long has contended that the 12 million gallons (45.4 million liters) of chemicals that the United States still are being transferred through the

dumped on South Vietnam during the wartime operation code-named Operation Ranch Hand caused immense harm.

The chemicals destroyed 14 percent of South Vietnam's forests, according to official U.S. reports.

Vietnam never asked for compensation but would like international help reclaiming denuded forest lands and caring for 70,000 people who it says have mental or physical handicaps because of their exposure — or that of their parents — to Agent Orange.

Vietnam says that half a million people have died or contracted serious illnesses over the years because of the spraying.

52 Raped in Riots, Indonesia Reports

Compiled by Our Staff From Despatch

JAKARTA — An official team investigating the riots that helped topple President Suharto said Tuesday that 52 women were raped during the unrest, and that it suspected an army unit led by Mr. Suharto's son-in-law was linked to the violence.

But investigators said they had not yet established whether the rapes were organized and systematic, and added the armed forces as a whole could not be blamed for the rioting last May.

"The number of rape victims is 52," Marzuki Darusman, head of the team, said at a news conference to mark the issuing of a long-awaited report on the rioting. "We have not yet been able to conclude whether these rapes were a result of the excesses of the riots or were organized."

Indicating that members of the military contributed to the downfall of Mr. Suharto, the government fact-finding team did say that some security officials incited riots just before his ouster.

The release of the harshly critical report is a further blow to the credibility of the Indonesian military, which is caught between widespread allegations of human rights abuses under Mr. Suharto and a new role as a promoter of democratic reform.

It comes as the military is preparing a huge security operation to protect government assembly that will cast guidelines next week for general elections in 1999. Student activists plan to protest, saying the government is not moving fast enough on political reform.

Almost 1,200 people, most of them looters trapped in burning buildings, died in the Jakarta riots from May 13 to 15. Other cities, particularly Solo in Central Java, were also badly hit. Human rights groups said at least 168 women were raped in a systematic campaign.

The report said the government should investigate a meeting held on May 14 at the headquarters of the Kostrad strategic reserve forces, headed at the time by Lieutenant-General Prabowo Subianto, who is married to one of Mr. Suharto's daughters.

General Prabowo was dismissed from the armed forces in August after a probe into the kidnapping and torture of anti-Suharto activists by members of the military. He has denied being behind the riots.

(Reuters, AFP)

NATEXIS
GROUP

Open for key figures,
even when markets are closed.

Follow the arrow

<http://www.natexis.com>

+44 171 420 0348

GENERAL

Announcements

Paris and Suburbs

VIENNA, AUSTRIA: Tel. 713-3274. Are you sad or worried? Angry or depressed? Are you despairing or stuck? Do you help? Do you talk about it? Please? REBRENDERS in 1000 Vienna, Mon. 9.30 a.m. - 1 p.m. and every day 6.30 p.m. - 9.30 p.m.

FEELING low - Having problems? SOS HELP available in English. From 22/2 to 15/3. Tel. +33 (0) 47 25 50 50.

Legal Services

TO PROTECT YOUR TRADEMARK, copyright, patent, etc. in all foreign countries. We offer services including: Patents, Trademarks, Industrial Designs, Copyrights, etc. Tel. 905-434-4765. Fax 905-422-2222. Hatfield Consultants Ltd.

CANADA IMMIGRATION applications and appeals by lawyer. H. Lengyel, 215-5 St. Georges, Montreal, Quebec H3T 1G2. Tel. 514-865-0052, fax 514-865-0053. Email: hengyel@qc.rr.com

DIVORCE - DAY CERTIFIED. Call or Fax (303) 594-1047. 300 S. Highland St., Ave. St. EC 80145, Belling, CA 92220 USA. e-mail: divorce@juno.com

ESTABLISHED 1983. ANGLO AMERICAN LAWYERS. Available on consultation on U.S. Legal Services. London, call (071) 401-8974. In New York, call (212) 344-7041.

DIVORCE - IN 1 DAY. No Lawyer. Write: Mrs. S. S. S. 377, Sydney, MA 01770 USA. Tel. 617-443-0197. Fax 617-443-0198.

Real Estate for Sale

French Riviera

Super CANNES, superb estate, spacious, 400 sq.m. superb panoramic view over the sea, inside 3 bedrooms, 2.000 sq.m. terrace, swimming pool. Superb.

VILLA CANNES. Superb swimming pool, sea view, 180 degrees sun view, 200 sq.m. terrace, 5 bedrooms, 5 bathrooms, swimming pool. Inside 3 bedrooms, 2.000 sq.m. terrace, 5 bedrooms, 5 bathrooms, swimming pool. Tel. 06 14 51 42 80.

Paris and Suburbs

16th. ILE ST LOUIS - 2-room 40 sq.m. apartment. Bright, quiet, 1st floor. Tel. 01 43 00 00. Tel. 01 43 22 32 37.

Paris Area Unfurnished

Paris Area Furnished

Paris 7th QUARTIER OF LA PLAINE MONTAIGNE

A unique choice of large apartments

HAUSMANN BUILDINGS

Centrally located, spacious

RENOVATED APARTMENTS

Very beautiful studio

VISTS

WEDNESDAY 4th and

THURSDAY 5th NOVEMBER

FROM 10.00 AM TO 5.30 PM

SATURDAY 7th NOVEMBER

FROM 10.00 AM TO 3.00 PM

6 RUE MEISONIER

5 rooms 160 sqm. FF 16,000 + charges.

6 rooms 208 sqm. FF 21,300 + charges.

6 rooms 214 sqm. FF 21,900 + charges.

6 rooms 214 sqm. FF 21,90

OPINION/LETTERS

Competitive Races Are Now Rare

By Larry Makinson

WAshington — To hear pollsters and pundits talk about individual races, you might have sensed a lot of suspense in the air on this election day. True, a handful of contests may still have been in doubt. But the reality is that truly competitive races are rare these days. Follow the money and you can see why.

Reports to the Federal Election Commission show that in about 60 percent of races for the House of Representatives, one candidate, almost always the incumbent, has outspent the other by 10 to 1 or more. House incumbents have raised an average of \$625,000 over the past 21 months, more than four times the amount collected by the average challenger.

It is thus no surprise that the re-election rate in the House will likely exceed 98 percent this year. This makes it a nearly perfect bet that if you write a check for \$1,000 or so to an incumbent, you will have a friend in Washington when the 106th Congress convenes in January.

In short, that money is not aimed at influencing elections; it is a tool for lobbying.

This fact is well under-

stood not only by would-be donors, but by lawmakers and party officials as well. It is implicit in the rationale they are using as they make their pitches for contributions from companies and interest groups that have big stakes in coming legislation.

Consider a recent fax asking for campaign donations that was sent to military contractors by Floyd Spence, the South Carolina Republican who is chairman of the House National Security Committee. The solicitation fell into public hands when one of Mr. Spence's staff members forgot to punch in the area code, and a fax went by mistake to the Washington bureau of The Associated Press.

How does a defense contractor say "no" to the chairman of the committee that oversees his industry?

Multiply that fax by a thousand and you have a sense of the pressure that would-be donors have had to deal with this year. It may be a yawner of an election, but to listen to the candidates and the national parties, it is the prelude to Armageddon if you fail to send in your money, right now.

The appeals are likely to get



sources made it clear that Mr. Crane's poor fund-raising performance could keep him from becoming the next Ways and Means chairman. And Mr. Thomas may well be in line for promotion.

Ways and Means is one of 19 committees in the House that would have new Republican chairmen after 2000.

Roil Call said Republican

That total does not include the Ethics Committee, a post generally deemed undesirable.

The writer is executive director of the Center for Responsive Politics, a nonpartisan research organization that studies money and politics. He contributed this comment to *The New York Times*.

goal is supposed to be helping elect Republican senators, has been markedly ungenerous toward her.

Ms. Smith, in an interview, referred to the very liberal magazine that disagrees with her on almost every issue. "Every time an article appears in *The Nation* about her battles with Mr. McConnell, she said, "these checks come in from around the country." The contributors write that they may not agree with her, but they do not like what Mr. McConnell does.

Political money is part of a larger problem. Campaigns have become so much about money spent for professionals who deal with polls, ads, direct mail and turnout that actual living, breathing citizens are almost extinct in the conduct of many electoral battles.

The modern campaign is a candidate who takes a break from fund-raising calls to talk to a media consultant who has just talked to a pollster who has just talked to a focus group.

"The public feels disengaged," said state Representative Dan Bosley, who represents the Williamstown

area and was happily unposed. "You have no field organization, no grass roots."

Echoing what politicians all over the country say, Mr. Bosley argues that the incentives in the system are wrong.

"We don't have to go to people and explain the case," he says. "We just do these ads with these sound bites."

Nobody loves elections more than I do. I confess to enjoying talking to political consultants. And I can spend many happy hours studying polls. But the system we

Americans now have is badly broken. As between citizens and money, we need to tilt the process back toward citizens. How many elections like this will we have before it happens?

The Washington Post

Head for the Hills in 2000?

By Neal R. Peirce

WASHINGTON — Planning to head for a cabin in the hills with a stock of dehydrated food, bottled water and your own gasoline-powered generator?

Or work with your neighbors to set up an emergency shelter, perhaps in a local school or church, where folks could retreat for warmth, light and food in case grievous emergencies develop?

That is the stark choice that the millennium bug — the prospect of computers

organizing to raise Y2K awareness and explore how whole communities can collaborate to weather a period of severe crisis.

The Denver-based Cassandra Project, one of dozens of Y2K Internet sites, is a national clearinghouse focused on community preparedness rather than individual survivalism. Its Web site (www.millennia-bc.com) has had more than 1 million hits.

"The Year 2000: Social Chaos or Social Transformation?" is the title of three futurists' views of perils and possibilities (www.angelfire.com/California/rhomer.html). Americans of all ages and experience, they write, need to undertake community audits of potential problems and contingencies to deal with each potential loss of service, from utilities to food supplies, public safety to health care.

Indeed, this potential calamity could have the dividend of bringing people together in neighborhoods where few residents currently even know each other.

But we need to get specific fast about an emergency shelter for every community — and it ought to be schools, suggests Doug Carmichael, a leading Year 2000 consultant. The federal and state governments, he says, should quickly appropriate funds and press to make sure schools can provide water, food and a warm space through the winter of 2000.

One reason: Schools — as with hurricanes or floods — are a familiar emergency location in American culture.

Mr. Carmichael proposes rapid steps to authorize National Guard or other military help to get the schools ready.

The president, Mr. Carmichael argues, has to take the lead, telling Americans that there is potential for serious trouble, and people need to be prepared for the worst.

Only with presidential leadership, Mr. Carmichael asserts, will Americans take Y2K seriously enough soon enough to avert "massive hoarding" as an increasingly panicky middle class, each family buying for itself, drives up generator, food and fuel prices, triggering shortages and even opening prospects of class warfare.

One is brought up short by such ideas. Can all this be serious? Check the frivolous entertainment clogging television channels, look at the media's political coverage obsessed with posturing and the potential of presidential impeachment, and you might think you lived on a different planet.

But the people trying to focus us on Y2K perils are not nut cases. They are serious technical, business, government leaders. Americans ignore at their peril their alert to potential civic disruption and disorder.

Clear national leadership and vigorous grassroots initiatives are not strangers to America. In World War II, both functioned superbly. The challenge now, in an incredibly limited time, is to gain Americans' attention — and commitment.

Washington Post Writers Group

"I know it's late, but I'd like some sushi. How far do I have to go?"



You needn't ever leave the comfort of your Four Seasons hotel room to be transported by a talented chef. Our room service menus abound with regional selections: from deep-dish pizza to striped bass minus the unwanted calories, to homemade chicken soup at 1 a.m. For the same breadth of choice in another unequalled setting, try our restaurants downstairs. The demands of business demand nothing less. For reservations, outside London, call 0800-520-048; in London, call 029-5800. Visit our web site: www.fourseasons.com

FOUR SEASONS
Hotels and Resorts

Defining the art of service at 40 hotels in 19 countries.

LETTERS TO THE EDITOR

Fighting Protectionism

"What can be done to stop a potential protectionist juggernaut?" asks Jeffrey E. Garten ("The Protectionist Menace and How to Resist It," *Opinion*, Oct. 23). The World Trade Organization was created for just this purpose.

The organization's appeal is now near-universal, with 132 member countries and another 32 queuing up to join. Each nation's prospects for prosperity are rooted in economic interdependence. The multilateral trading system helps to ensure that trade policies treat prudently between rights and obligations. It provides the institutional forum for struggles to be fought out between governments that hold differing priorities and priorities on how to achieve the same ends.

But it does not end there. Further challenges need to be addressed. The agreements that gave birth to the WTO need to be fully realized, not least the commitment to negotiate further liberalization. Preparations have already begun on how to tackle further reductions in industrial and agricultural tariffs, and on how to increase opportunities for trade in services and in intellectual property. Discussions are also taking place on whether disciplines are needed for investment and competition policies. In all these negotiations and discussions, the ultimate objective is to neutralize protectionism in all its guises.

Economic policymakers are wary of the deceptive ebb and flow of protec-

tionism. That is why, at the very moment of the creation of the WTO, governments were prescient enough to set in motion a further agenda for trade liberalization. The fight continues.

NUCH NAZER,
Geneva

The writer is senior information officer of the World Trade Organization.

Be Tough With China

Regarding "Watch Three Trouble Spots in U.S.-Chinese Relations" by Jim Mann (*Opinion*, Oct. 30):

The U.S. trade deficit with China will reach \$60 billion in 1998 due mainly to China's protectionist practices. But the American protest is feeble due to pressure from corporate America, which is overly eager to have access to the Chinese market.

China does have leverage over North Korea's misbehavior, be it nuclear armament or development of long-range missiles. But China will exact U.S. concessions elsewhere for its help. A better policy is to strengthen the U.S.-Pyongyang dialogue and work with South Korea and Japan to provide North Korea with food aid and heavy oil for energy.

China's slow pace of economic reform is due to the Chinese Communist Party's primary goal to remain the sole ruler of China. Liquidation of bad bank loans and structural reform of unprofitable state enterprises will exacerbate the already high level of unemployment, invite social unrest and questioning of the Communists' legitimacy.

Regarding a fourth trouble spot, The United States is pleased with the October resumption of a Taiwan-China dialogue. While discussion of practical issues may resolve problems in such areas as legal safeguards for Taiwanese businesses in China and the interdiction of illegal drugs and firearms from China to Taiwan, public opinion in Taiwan will not permit negotiation on the future status of Taiwan now.

In the meantime, while China actively expands its military capacity to invade Taiwan, Chinese Deputy Prime Minister Qian Qichen has announced a new policy of "three liquidations" against Taiwan — that is, liquidate the remaining diplomatic recognition of Taiwan, liquidate Taiwan's international living space and liquidate Taiwan's wherewithal to deal with China as an equal.

A common thread runs through all trouble spots in U.S.-Chinese relations. The United States has not carefully weighed the varying and often conflict-

ing financial interests of American strategic interests and the security interests of America's democratic allies in East Asia. America has failed to clearly delineate its national interest vis-à-vis China and to firmly assert such interest. Whether the unpopular Chinese Communist Party can retain control of China in the long run is an open question. U.S. policy toward China needs to be constantly attended to at the highest level of the U.S. government. Acceding to China's every wish is not a substitute for sound policy.

JAY T. LOO,
Lansdale, Pennsylvania

McCarthyism Revisited

Regarding "McCarthyism Revised?" by William Pfaff (*Opinion*, Oct. 29):

I wish to commend Mr. Pfaff for a thoughtful, compelling and accurate critique of McCarthy and McCarthyism. In particular, the importance is emphasized of the role played in the United States by anti-Communist liberals in combating communism in the late '40s. Eleanor Roosevelt, Hubert Humphrey, Walter Reuther and President Truman were the real heroes in this struggle. Similarly, at about the same time in France, the successful combat against the more dangerous French Communist Party was led by the Socialists Léon Blum and Jules Moch. Many of those fighting communism were Jewish, and one can legitimately date the beginning of the Cold War to Stalin's murder before World War II ended, of Henryk Erlich and Victor Alter, Polish Jewish Socialists and trade union leaders.

On the reverse side of the coin, credit must be given to conservatives in recognizing early the mortal threat of Nazism and combating it — Churchill in Britain, Louis Barthou and Paul Reynaud in France, and Henry Stimson in the United States.

PAUL M. BEIGELMAN,
Paris

It is undeniable that the Soviet Union did carry out atomic espionage in the United States during World War II. But vital information on the construction of the first atomic bomb was actually transmitted to the Soviet Union not by the Rosenbergs but by a brilliant young physicist, Theodore Hall, who was never arrested. As for the Rosenbergs, their execution was plainly an act of the Cold War and its accompanying witch hunt.

SCHOFIELD CORYELL,
Paris



INTERNATIONAL

Starting on the West Coast, Asian-Americans Aim to Be an Electoral Force

By William Booth

Washington Post Service

LOS ANGELES — At a recent Beverly Hills fund-raiser here, March Fong Eu, one of the most outspoken liberal Democratic politicians in California, told an audience of Asian-American donors that there was only one Republican she wanted to see elected: her son, Matt Fong, the Republican candidate for U.S. senator.

And checkbooks were opened.

As 1992 was viewed as the Year of the Woman in American politics, a year that saw the election of Senator Barbara Boxer, Democrat of California, among others, this year could be a bellwether for Asian-Americans. They are increasingly returning to politics after feeling unfairly smeared by the 1996 campaign finance scandal involving several high-profile Asian-American fund-raisers.

Iraqis Risking Attack, U.S. and U.K. Warn

Compiled by Our Staff From Dispatches

LONDON — The United States and Britain warned Iraq on Tuesday to back off in an escalating confrontation with the United Nations, while France urged Baghdad to reconsider its suspension of cooperation with UN weapons inspectors.

The U.S. and British defense secretaries, William Cohen and George Robertson, said Iraq must reverse its decision of last weekend to suspend cooperation with UN inspectors searching for banned weapons or face the possible use of force.

"We want to find a diplomatic solution, but we have always made clear that all options remain open," said the British foreign secretary, Robin Cook, reminding Parliament that British Tommard warplanes in the Gulf could be used if necessary.

"Saddam Hussein appears to be gambling that the world will grow weary of his constant evasion and its repeated confrontation," Mr. Cook said. "He cannot and will not be allowed to win."

"His calculation is that we will eventually give up and abandon the sanctions regime without requiring him to abandon his ambitions for regional supremacy through weapons of terror," he added. "We must remain ready and resolute to prove him wrong."

In Washington, the U.S. and German

foreign ministers said Tuesday that they were focused on diplomacy to persuade Iraq to cooperate with UN weapons inspectors. Secretary of State Madeleine Albright said at a news conference that "we are at this point actively involved in diplomatic measures" to obtain Baghdad's compliance. The German foreign minister, Joschka Fischer, called for a "very clear diplomatic effort" to "isolate Mr. Saddam."

Mrs. Albright and Mr. Fischer spoke to reporters before their first meeting since the Social Democratic Party won control of the German government and brought in Mr. Fischer's Greens party as a coalition partner.

Iraq, however, remained obdurate in the face of growing international pressure. "We will not back down on the decision whatever the sacrifices would be," the official Al Iraq newspaper said in a front-page editorial Tuesday. All Iraqis should fight to maintain the government's decision until trade sanctions imposed on Baghdad's for its 1990 invasion of Kuwait are lifted, it said.

The crisis mission of Mr. Cohen to rally European and Gulf allies against Iraq began in London with an hour of talks with Mr. Robertson. A British Defense Ministry statement said after the talks that the two men had "agreed that all options remained on the table, including the use of force if required."

Mr. Cohen's exact itinerary was being kept secret so as not to leave the impression that Washington was leaning in favor of U.S. military action against Iraq over diplomacy, a Pentagon official said.

Later Tuesday, Mr. Cohen arrived in Riyadh for "high level talks with Saudi officials," a U.S. Embassy official said. Kuwait's official press agency said Mr. Cohen was expected to arrive in the emirate Wednesday.

During a similar confrontation over inspections early this year, Mr. Cohen encountered little support among U.S. allies in the Gulf for military action, leaving the United States and Britain virtually alone in threatening air strikes. That crisis was resolved by the UN secretary-general, Kofi Annan, who negotiated and signed an inspections accord with Mr. Saddam.

A U.S. Defense Department spokesman said in Washington that the U.S. force of 21 warships and 174 aircraft now in the Gulf was sufficient for any military action against Iraq.

France, meanwhile, said it was recalling its envoy to Iraq for talks, and Foreign Minister Hubert Vedrine, in a letter to the Iraqi deputy prime minister, Tariq Aziz, said Baghdad's decision was serious and urged it "to reverse it without any delay."

A French Foreign Ministry spokeswoman, Anne Gazeau-Secré, said Paris had informed the Iraqi authorities that it was recalling the head of its interests section in Baghdad, Yves Aubin de la Messuziere, for consultations.

Russia said Tuesday that it was opposed to the use of force. "We believe the international community has a sufficient stock of political and diplomatic means to achieve a peaceful solution," a Foreign Ministry spokesman said. China also urged Iraq to back down and shared Russia's concern over escalation.

In New York, the UN Security Council began discussions Tuesday on a resolution expected to condemn Iraq but not to call for military action. (Reuters, AFP)

ican state, this is the year to elect the Senate's first Chinese-American from outside Hawaii — even if he is a Republican who has taken stands against issues close to many in the Asian-American community. Mr. Fong supported recent propositions that cut affirmative action and end bilingual education.

But he and his mother are well known. Mr. Fong, who is state treasurer, has been stressing his middle-of-the-road, moderate Republican positions — pro-military, pro-business, pro-flat tax, but mostly hands-off on social issues — that many Asian-Americans might respond to.

Asian-Americans are a fast-growing, well-educated group of political newcomers made up mostly of immigrants and their first-generation, native-born children. In general, they split their votes between Republican and Democratic candidates. But if the results of California's June primary are repeated Tuesday, Mr. Fong can expect to garner strong support among both Republican and Democratic Asian-American voters.

"A lot of Chinese-Americans would like to see someone who looks like them in office," said Alan Chen, a leader of the group Vision 21, which is working to register Asian-American voters in Southern California.

Statewide exit polls commissioned by the Los Angeles Times found that in the June primary 34 percent of Asian-Americans went for Ms. Boxer, while 50 percent voted for Mr. Fong. In heavily Democratic San Francisco, a bastion of liberalism, 81 percent of Asian-Americans of Chinese heritage voted for the Democratic gubernatorial candidate, Lieutenant Governor Gray Davis — but then 74 percent flipped over to vote for Mr. Fong over Ms. Boxer, according to exit polling.

"The crossover was amazing," Mr. Hsieh said. "It often does not come across in surveys, but ethnic pride and the desire to be represented by someone who shares your culture is strong. Many Asian-Americans voted for Democrats but then crossed over for Fong. There is the sense that he is one of their own."

Such intense ethnic-bloc voting — be it among Cuban-Americans in Florida or Mexican-Americans in Texas — is increasingly a reality, as candidates of color challenge white politicians.

Both parties are searching for candidates and messages that will appeal to the growing numbers of Asian-Americans and Latinos. Latino groups are hoping to see a million voters from their communities go to the polls Tuesday, while similar efforts are under way among Asian-Americans.

At a campaign appearance in San Francisco's Chinatown last month, Ms.

Boxer sought to stem the flow of Asian-American voters to Mr. Fong. But it may not be easy. Not only is his mother, a popular 76-year-old political presence, shunning him and pushing the Asian-American media to support him, but also the Fong campaign has been running a steady stream of Bay Area advertisements in Cantonese and Mandarin.

In the last statewide election in 1996, Asian-Americans accounted for only about 5 percent of California's voters. But they could play a crucial role in a close Senate race, in which late polls put Ms. Boxer slightly ahead. Moreover, as the Asian-American population continues to grow here and as more register to vote, the group could make up as much as 10 percent of the California electorate by 2000.

Turnout among Asian-Americans was expected to be about 6 percent of the total electorate Tuesday.



Senator Alfonse D'Amato, Republican of New York, leaving a voting booth in Island Park on Tuesday with his grandchildren.

Defector Says Iraq Hides an Arsenal Of Terror Weapons

Reuters

LONDON — President Saddam Hussein of Iraq has an arsenal of chemical and biological weapons so well hidden that even his foreign minister is unaware of them, an Iraqi defector was quoted Tuesday as having said.

Abbas Janabi, who was identified as the private secretary to Mr. Saddam's son Uday for 15 years, in an interview with The Guardian newspaper in London mocked Tariq Aziz, the deputy prime minister and a frequent international spokesman for the Iraqi government.

"Even Tariq Aziz doesn't know where the weapons are," Mr. Janabi was quoted as saying. "He thinks they are finished. He is important outside Iraq, but he is nothing in his own country."

The Guardian said diplomats regarded Mr. Janabi, who fled Iraq in February and who is now living in an undisclosed place, as one of the best-informed Iraqis to have defected to the West in recent years.

Mr. Janabi, 50, minimized the United Nations sanctions imposed on Iraq to punish it for its invasion of Kuwait in 1990.

"The regime can import anything it wants — luxury goods and cars — but the people are suffering," he said. "The regime distributes food and medicine to people who are loyal, and even if they hand out some of it more widely, that is only for propaganda reasons."

Mr. Janabi described Mr. Saddam, whom he said he last saw in January, as tired and isolated.

RATES: Britain Moves to Stimulate Economy as Others Ease Credit

Continued from Page 1

global economy. "It's reasonably sensible," said Richard Jeffrey, chief economist at Charterhouse Tilney Securities.

Mr. Brown's budget statement followed a shift by economic policymakers across Europe in recent months. The new finance minister of Germany, Oskar Lafontaine, has effectively rejected the previous government's policy of sustained deficit reduction and signaled his desire to stimulate growth. French and Italian officials have echoed that view.

"Brown will be comforted by noises coming from the Continent," said Mark Cliffe, an economist at ING Barings. The interest-rate reductions Tuesday

by three countries increased speculation about a possible broader cut in European rates on a day when there was a meeting of governors of the European Central Bank, which next year will take over management of monetary policy for countries adopting the single currency. But most analysis said the Bundesbank was likely to refrain from any cuts for the rest of this year, if only to show that it would not bow to political pressure.

The ECB is virtually obliged to rebut those comments, Mr. Cliffe said.

But the prospect for a broad rate cut early in 1999 is good, analysts said, because the global slowdown has trimmed growth prospects at a time when inflation is almost nonexistent. Mr. Cliffe predicted that the European

Central Bank would cut rates to 2.5 percent by the middle of next year.

On Tuesday, central banks in Spain and Portugal cut their benchmark securities repurchase rates by one-quarter point, to 3.50 percent and 3.75 percent, respectively. Sweden, which is not participating in the euro, cut its rate by a quarter point, to 3.85 percent. The moves were expected to focus attention on Italy and Ireland, which have the highest rates in the euro club at 4 percent and 5.75 percent, respectively.

Most analysts expect rates in the 11 countries adopting the euro to converge by the end of the year at 3.30 percent, the level prevailing in Germany and France.

Analysts were predicting a quarter-point cut, to 7 percent, from the Bank of England when its Monetary Policy Committee meets on Thursday. The central bank has been under strong pressure to ease because of the weakness of much of Britain's manufacturing industry, which has been hurt by the country's relatively high interest rates and a strong pound.

GUCCI: Ex-Wife Found Guilty in Murder

Continued from Page 1

dola, said. "I guess the jurors were not susceptible to our arguments." Prosecutors had sought a life sentence, the most severe form of punishment in Italy. Seeking a silver lining, he said, "Evidently, jurors had some doubt because they didn't give her a life sentence."

Mrs. Reggiani is scheduled to remain in prison, but her lawyers say they will ask that she be placed under house arrest pending an appeal.

Mrs. Reggiani's friends were stunned by the 29-year sentence.

"I think that is an extremely heavy sentence considering that child murderers get even less," said Jennifer Gucci, former wife of Paolo Gucci, a cousin of the murder victim. "I would have thought they would take her brain injury into consideration."

Hours before the verdict, Mrs. Reggiani made her final plea of innocence.

saying she was a victim of her astrologer's greed. "Never let even a friendly fox into the chicken coop," she told the jurors, referring to Mrs. Aurumma. "Sooner or later it could get hungry."

When married to Mr. Gucci, Mrs. Reggiani was one of the more extravagant members of the Italian jet set, known locally as "Liz Taylor" for her violet eyes, ample figure and fondness for jewelry. She was famous for having once said, "I would rather weep in a Rolls Royce than be happy on a bicycle."

Mrs. Reggiani continued to be outspoken even after her husband was shot outside his Milan office in 1995, telling friends and even reporters that she had wanted him dead. After she was arrested in 1997, Italian newspapers quickly dubbed her the Black Widow.

Mrs. Reggiani's lawyers argued that her threats were the ramblings of a mentally disturbed woman. She underwent a brain tumor operation in 1992.

The response came Sunday when, for the first time, some faction or individuals in the armed wing of Hamas — it is still not clear who — threatened to retaliate against Mr. Arafat's forces for what they called the Palestinian leader's "betrayal."

The warning, faxed to a news agency in Jerusalem, breaks with Hamas's official commitment to maintain Palestinian national unity, but no one in Gaza doubts its authenticity.

A small cat, if you push her into a corner, can become a tiger, said Ismail Abu Shabab, a ranking Hamas civilian leader.

If Mr. Arafat continues his crackdown on terror, he suggested, armed radicals in Hamas may disavow the civilian leadership's hands-off policy toward Mr. Arafat's forces. "The more pressure you put on people, the less they may be under control."

In pressing his campaign against Hamas, Mr. Arafat also risks alienating a broader constituency sympathetic to Mr. Yassin. Hamas and their message of Islamic renewal. While Mr. Arafat has been tainted by the pervasive mismanagement and corruption of his Palestinian Authority, Mr. Yassin — wheelchair-bound, ailing and articulate — is relatively untainted.

Mr. Arafat, before flying to Spain for a brief visit, accused Mr. Netanyahu of "wasting time," but appeared unruffled by the Israeli delay.

The more serious question for Mr. Arafat, say analysts, is how to disable Hamas's infrastructure and capability without provoking a backlash.

This week and last, Mr. Arafat has ordered the detention of 250 to 450 Hamas activists. More daringly, he placed under house arrest Sheikh Ahmed Yassin, the group's founder and spiritual father, disarmed his bodyguards, seized his files and cut off his phone lines.

The response came Sunday when, for the first time, some faction or individuals in the armed wing of Hamas — it is still not clear who — threatened to retaliate against Mr. Arafat's forces for what they called the Palestinian leader's "betrayal."

The warning, faxed to a news agency in Jerusalem, breaks with Hamas's official commitment to maintain Palestinian national unity, but no one in Gaza doubts its authenticity.

A small cat, if you push her into a corner, can become a tiger, said Ismail Abu Shabab, a ranking Hamas civilian leader.

If Mr. Arafat continues his crackdown on terror, he suggested, armed radicals in Hamas may disavow the civilian leadership's hands-off policy toward Mr. Arafat's forces. "The more pressure you put on people, the less they may be under control."

In pressing his campaign against Hamas, Mr. Arafat also risks alienating a broader constituency sympathetic to Mr. Yassin. Hamas and their message of Islamic renewal. While Mr. Arafat has been tainted by the pervasive mismanagement and corruption of his Palestinian Authority, Mr. Yassin — wheelchair-bound, ailing and articulate — is relatively untainted.

STORM: Thousands Remain Cut Off From Food and Water as Region Tries to Recover

Continued from Page 1

Casita volcano broke through its earthen rim and sent a tide of water and mud rushing down its side, sweeping away and burying the town of Postolega and two other small communities. Officials said about 610 people had been confirmed dead in the incident, but that many more villagers were missing and might be interred in the massive mud field.

In Honduras, about 600,000 people — about 10 percent of the population — are thought to have lost their homes. Entire neighborhoods in the Honduran capital, Tegucigalpa, were washed away Friday when the Choluteca River broke over its banks and inundated many parts of the city, burying houses, cars and people in mud.

On Monday night, the Honduran president, Carlos Flores Facusse, pleaded for international aid, while top military officials in the capital said that they lacked the equipment to rescue people in remote regions. Many families have been waiting for days, sitting without food or water on top of their homes or perching

in trees, the officials said. "The demand is so great and the equipment we have is so little that we feel impotent," General Mario Hung Pacheco, the Honduran Army chief of staff, said.

There were reports from the northern town of El Progreso of desperate parents trying to climb the limbs of tall trees to protect them from drowning. More than 5,000 people were waiting for rescue in the southeastern region of Choluteca, while at least 2,000 were trapped by floodwaters in the city of San Pedro Sula, the authorities said.

"We can't cope with the huge demand for rescue," a navy lieutenant told Reuters. "We are trying to give food to those who are the most isolated, hoping they can hold out until we can evacuate the area."

■ Nicaragua Search Effort

Sergio F. Kovaleski in The Washington Post reported.

In Nicaragua, the search continued for survivors of the mud slide on the slopes

of the 4,610-foot Casita volcano, about 90 kilometers northwest of Managua, the capital.

When the lake burst through the volcano cone, it created a wall of mud, boulders and trees — more than 3 kilometers wide in some places — that washed away and buried everything in its path, including three towns with several thousand residents.

Because of downed bridges and washed-out roads, army rescue teams were unable to reach the area until Sunday, two days after the disaster.

Witnesses described horrific scenes of decaying corpses and body parts protruding from huge fields of mud. With roads washed out, Vice President Enrique Bolanos said, rescuers had to rely on helicopters, but poor weather and visibility had delayed operations.

An area of nearly 80 square kilometers along the slopes and at the base of the volcano was buried in mud and debris, Mr. Bolanos said.

The death toll in El Salvador also rose on Tuesday to 222 dead.

There were still at least 100 people missing.

■ Hurricane Mitch

ELECTRICITY PARTNERS AND CLIMATE CHANGE: THE BUENOS AIRES DEBATE

PART III

SAVING ENERGY WITH ELECTRICITY

NEW OPPORTUNITIES FOUND IN INDUSTRY

New technologies that make use of electricity also mean new business and investment opportunities.

We take electricity for granted in our lives, for everything from providing light and heat to running our computers and televisions, but there are many other ways that electricity can be used in industry to improve the quality of life by reducing the cost of energy consumption and polluting emissions.

Since electricity is more efficient than other energy sources, less energy is wasted when it is applied to industrial processes.

When the electricity comes from emission-free sources such as nuclear, hydroelectric, wind or solar power, a contribution is also being made to a cleaner environment.

As a spokesman for the U.S. White House

"Fact Sheet on Potential Industry Sector Savings" points out that the industrial sector produces around one-third of total U.S. emissions and that motors consume 70 percent of the industrial electricity used. The report says:

"The Greenpeace Tube Co., for example, increased productivity by 15 percent, increased energy efficiency by 30 percent, reduced scrap by 15 percent and achieved \$77,000 per year savings—a six-month payback—by improving the efficiency of their motors."

More for less

At Electricité de France (EDF), the French national electric utility, a concentrated effort is being made to find new, energy-saving ways to use electricity in industry.

According to EDF, "Manufacturers have understood the advantages that come from saving energy. To make a ton of laminated steel today, 30 percent less electricity is required than 15 years ago.

For a ton of paper, there is a savings of 30 percent, and for cement-making, 15 percent."

The electric intensity required for certain processes has been reduced by half in the aluminum and paper-making industries, and by three-quarters for the making of phosphate-based fertilizers. Electricity can be used in industry for ultraviolet finishing treatments, heating and drying with microwaves, and induction heating. The chemical company Ciba, for example, was able to reduce its energy consumption by using ultraviolet light to dry paints instead of conventional heat ovens.

When it comes to protecting the environment from harmful emissions, EDF says: "This advantage is already present in the man-

ufacture of industrial products using nonpolluting electric procedures like reverse osmosis, mechanical vapor compression and heat pumps."

In France, some 800,000 manufacturers consume nearly 30 percent of the electricity produced. Electric motors consume 70 percent of the electricity purchased from EDF by industry. According to EDF, "Electricity has the essential advantages of being clean, reliable and flexible. It is no longer being used only by the traditional major consumers like the iron and steel, metallurgical and chemical industries, but also—thanks to its many creative applications—in every sector."

Electricity has traditionally been used in industry for all types of motors, lighting (usually lower-consumption fluorescent lamps), electrolysis for the making of aluminum, chlorine and soda cooling, with heat pumps, mostly in agriculture: heating and air-conditioning; running computers; the creation of "clean rooms" with pure air; and so on.

New functions

Today, electricity is taking over some of the functions formerly fulfilled by fossil fuels and making use of innovative industrial processes. Many of these new techniques have been developed by manufacturers, often in cooperation with builders, universities and research institutes.

A variety of techniques are used for heating and cooling in all types of industries, including direct conduction, induction and heat pumps. In the plastics processing industry, for example, a major consumer of electricity, cold-air blowers are used to lower the temperature of machine

cylinder heads, increasing annual productivity by 10 percent. The automobile industry is using induction heaters to raise temperatures of parts to 1,250°C, reducing scrap from 20 percent to 5 percent thanks to the precision of the process. Resistance, the most commonly used technique, is used to heat liquids for painting, electroplating, enameling or plastication, which require constant, precise temperatures.

Precise temperatures are also required for firing ceramics, paint and varnish, as well as for the industrial cooking of foods. The traditional resistance or induction ovens used in industry are now giving way to radiation ovens similar to the microwave ovens used in homes. Some new ovens, used especially in the making of crackers, not only bake the product also but mix the raw materials and form and cut the crackers.

Electricity also plays a role in drying, an important process in industries that use a great deal of water. Varied and painted products, paper, textiles and pottery must be thoroughly dried before undergoing further treatments. Wood for furniture must also be dried, but slowly, a costly process that has been speeded up from several months or even years to a few weeks with the use of special compartments equipped with electric heat pumps.

Agribusiness and the chemical industry need separation systems for liquids and most often use evaporation along with mechanical vapor compression to concentrate liquids.

Industry initiatives

With ADEME (Agence de l'Environnement de la la

start according to demand, both companies are conducting research on the sodium-sulfur battery and the Redox Flow battery, which can store excess energy during the night for use during the day, failing that, to compact them so that they are easily transportable to specialized treatment centers. These technologies can also contribute to savings on raw materials.

In Japan, Kansai and TEPCO are also developing high-efficiency electric power utilization equipment such as more efficient heat pumps that can be used in various industrial areas, and research is being conducted on the ways of increasing the efficiency of heat storage systems. One result of this research is an ice-storage air-conditioning system called "Eco-Ice."

Industrial applications of electricity not only save energy, but also help to make the world a cleaner place.

The idea is to recycle effluents and other wastes back into the manufacturing process, to integrate them into the fabrication of other products or, failing that, to compact them so that they are easily transportable to specialized treatment centers. These technologies can also contribute to savings on raw materials.

An example is the must from yeast fermentation vats, which is compacted and crystallized by an evaporator with mechanical vapor compression and used in cattle feed.

In the auto industry, ultrafiltration is being used by utility vehicle manufacturer Sovab (of the Renault group) to continuously degrease the preliminary degreasing baths for galvanized sheet metal, reducing the quantity of water and degreasing products needed because the baths do not have to be changed. Electrolysis, used in the rinsing bath of treated parts, provides increased efficiency and allows polluting metals to be recovered.

The French textile printer SH uses a microfiltration membrane technique to trap pigments, improving the biodegradability and color removal level of the effluents and reducing the amount of water needed.

Electricité de France (EDF), the French electric utility, has participated in the development of these and many other clean new industrial technologies that can also result in energy savings. Another example is the electric arc rotary furnace, which allows aluminum to be recovered from the smelting process without using the added salts that produced highly toxic waste in traditional rotary furnaces.

With the Charade Social EV, drastic improvements have been made in the maximum mileage, acceleration performance, maximum speed and the reliability of the residual battery charge meter, and the interior has been made more spacious as well.

Kansai also encourages the use of electric vehicles within the company, mostly at sales offices located in urban centers. Tokyo Electric Power Co. also promotes the use of electric cars by its sales office and is evaluating their practicality in the working environment.

More efficient applications

Industrial applications of electricity not only save energy, but also help to make the world a cleaner place.

At the Astra pharmaceutical factory in Dunkerque, France, EDF has installed vacuum pumps used in concentration and drying processes. The pumps make it possible to lower the boiling point of solvents, thereby saving energy and improving product quality.

Electricity is the driving power behind many new technologies that are reducing the amount and toxicity of industrial pollution

Together with the Piller company, EDF developed a one-piece blower for Renault's STA (Société des Transmissions Automatiques) that uses the energy-saving technology of evapo-concentration by mechanical vapor compression. The volume of liquid effluents is reduced 30-fold, and most of the distillates can be recycled after treatment.

A process called electro-coagulation is being used by CBC, a French electrolytic company that specializes in electrolytic and chemical treatments of mechanical parts. Electrocoagulation reduces pollution by 99 percent for metals and suspended matter and improves biodegradability by 70 percent. The residual water can be recycled in the production process.

STEG, a French specialist in electrolytic treatments for the aeronautic industry, treats effluents with vacuum evaporators equipped with a heat pump. No liquids are released into nature. Kerbilio, a galvanizing company, uses a heat pump to dry sludge, cutting its volume in half.

Girex and Mazal, producers of active ingredients for pharmaceutical industry, installed a regeneration unit in 1997 with the help of EDF and the local water authority. It reduces the amount of solvents used and enables the recycling of 80 percent of solvents.

CLEAN ENERGY: THE CHANGING FACE OF TRANSPORT

Increasingly, electric power is proving a viable alternative to fossil fuels. Both public and private transportation are being transformed.

The transport sector accounts for around a quarter of the world's carbon dioxide emissions, and in spite of efforts to reduce these emissions in many countries, the OECD estimates that the amount of CO₂ emitted by vehicles will grow from 2.5 billion tons in 1990 to between 3.5 billion and 5.1 billion tons in 2020 unless further action is taken.

The developed world is responsible for most of these emissions, but as developing countries grow (the current world population of 5.9 billion is expected to reach 7.9 billion by 2020, with most of the growth occurring in developing countries, according to the World Energy Council), their share of the problem will grow, too.

The European Environment Agency's June 1998 assessment of the state of the environment paints a rather gloomy picture of the transport sector. "In all parts of Europe," it says, "public transport is losing out to private transport, and there is a considerable political momentum to extend road and traffic infrastructure."

EDF is working with equipment manufacturers and industry electricity consumers to develop energy-efficient electric processes. In the French transport sector, electricity already plays a major role in passenger and freight trains, subways, trolleys and trans. EDF and the RATP, the Paris municipal transport authority, are testing electric buses in Paris's hilly Montmartre quarter, and the City of Paris has just introduced electric cars in Lyon.

In Paris, the Electric Vehicle Club runs a national center for the promotion and demonstration of electric vehicles.

Electric scooters Along with the RATP, EDF is planning to pool orders for electric buses for French and European cities and to participate in an invitation to tender in European vehicle manufacturers. The company also supports the development of individual electric vehicles such as cars, scooters and bicycles and is promoting the use of electric vehicles in companies. It participated in the development of Peugeot's award-winning electric scooter, and electric scooters will soon be available for rental at the Montparnasse rail station in Paris.

EDF is working with the world's first self-service electric car-rental agency, set up in Saint-Quentin-en-Yvelines, a Paris suburb, with an induction recharging system developed by EDF. Similar outfitts will soon be established in other French cities.

Partnerships have been set up with several cities and Sceta Parc (a subsidiary of the SNCF, the French national rail authority), Total and CNPA (Centre National des Producteurs Automobiles) for the installation of recharging stations for electric cars. Most parking lots in Lyon are already equipped with them, and EDF and Budget are introducing electric cars in Lyon.

In Paris, the Electric Vehicle Club runs a national center for the promotion and demonstration of electric vehicles.

Electric scooters Along with the RATP, EDF is planning to pool orders for electric buses for French and European cities and to participate in an invitation to tender in European vehicle manufacturers. The company also supports the

"ELECTRICITY PARTNERS AND CLIMATE CHANGE: THE BUENOS AIRES DEBATE" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Electricité de France, Kansai Electric Power Co., Inc. and Tokyo Electric Power Co., Inc.

WRITER: Heidi Ellison in Paris.

PROGRAM DIRECTOR: Bill Maher.

STAGE/ENTERTAINMENT

A Very Glossy 'Classy Affair'

By Sheridan Morley

London — While critical eyes have been understandably focused across the water on the resurgence of Irish drama these last three years, right here in London we have a playwriting revolution no less remarkable. Not since 1956 have we had so definable a local movement, and even that one was a lot less socially and geographically coherent.

This time, with *Jez Butterworth* ("Mojo"), *Patrick Marber* ("Dealer's Choice" and "Closer") and now *Nick Grosso* ("Real Classy Affair") at the Royal Court Upstairs at the Ambassadors, we have a genuinely thrilling new grouping of street-smart, staccato dramatists engaged in a kind of Soho Chic complete with Soho Chicks.

True, Grosso's script seems at times to be not so much well written as well remembered from earlier revolutionary British playwrights, but at least he borrows from the best. From Osborne's "Look Back in Anger" we now get the *Woman Who Irons*, though here she does so much of it that eventually the stage is almost entirely filled with laundry, as though she was running some kind of manic amalgam of a therapy clinic and neighborhood dry-cleaning establishment, by the look of it the only one in town.

Then, courtesy of *Harold Pinter*, we have the four blokes at the bar in a menacing, half-finished series of oblique dialogues that are mainly notable for what doesn't quite get said. Grosso and his director, *James Macdonald*, have discovered the crucial importance of style; even the scene changing is as carefully choreographed as a Jerome Robbins ballet, and there's a bird's-eye view for the audience of a revolving stage, exactly as in Marber's "Dealer's Choice," only this time instead of a poker game, we just

get four men behaving badly in a series of verbal brawls.

But Grosso is also exciting in his own right and write; to all the well-tried formulas of earlier stylists he brings something new, a flashy, urban-despairing sense of people, frantically juggling their lives and careers without any visible means of support. His characters are tightrope walkers on a high wire of life and leisure, denied most of the usual props. Now you see them; now you don't, as they collide like human bumper cars into each other's amazing egos.

These are guys who are going nowhere very fast, and the only woman in the cast (a haunting Liza Walker) is the only one who can confront their various failures and offer some kind of an admittedly selfish solution.

"Real Classy Affair" is as glossy as the shiny suits of its male contenders and will for that reason almost certainly have a long afterlife in the West End and then I would guess on film or maybe even as the pilot for a television series of unusual distinction.

More successfully than almost all his rivals in the theater, Grosso manages to write the kind of dialogue you expect to hear in a contemporary British movie. He tells us more than we need to know about the vicious survivors of the '90s, and his style is that of a latter-day Oscar Wilde on speed.

"Real Classy Affair" may not be a great play and like much contemporary writing, it tends to vanish up its own blind alleys. In that sense it is highly journalistic and benefits tremendously from the playing of *Callum Dixon* and *Joseph Fiennes* in a powerful cast of contenders. Quite what they are in contention for is never satisfactorily explained; some kind of brutal victory over each other, certainly, and a way of kicking over all traces of former street life while inventing one of their own, more violent in language than in the alleys behind their beloved public house.

In one sense they are all losers, sexually and socially, and yet Grosso invests them with such charisma, so strong an urge to show off if only to each other, so desperate a sense of failure, and such ferocious self-absorption that they acquire tremendous energy even in their most uneventful moments around the bar. A current of sheer theatrical electricity runs all through "Real Classy Affair," and the shock is in the style, raw and rapid and lethal in its energy. This is undoubtedly the most promising play of the year.

The title character of "Saving Charlotte," at the Bridewell, is Charlotte Salomon, whose paintings are now coincidentally on view at the Royal Academy, and she wasn't saved at all except on canvas. Rather, she was murdered by the Nazis on her first day at Auschwitz in 1943, when she was

16. From that brief and tragic life, *Judi Herman* has carved a strange little collage of a play, in which Charlotte's daughter (also murdered at Auschwitz) comes back from the dead to recall her mother's truly bizarre and understandably reclusive childhood.

In one way or another, Charlotte was constantly being abused by her own family long before the Nazis got to her. The whole of that family seems to have had a death wish, mostly attempting suicide even before Hitler gave them reason to, and it is indeed arguable that Charlotte's refusal to go into any kind of real hiding from the Germans was yet another form of death wish.

"Saving Charlotte" is kaleidoscopic and inconclusive, with four actors playing out brief scenes from Charlotte's early life, though you might well learn rather more about her from the catalogue accompanying her exhibition. But *Kerry Steele* is in fine, menacing form as the father and *Anoushka Le Gallois*, a talent new to me, plays Charlotte halfway between *Annie Frank* and *Sally Bowles*.



Kim Gordon of Sonic Youth is one who wants to prove that the rock lifestyle is not bad for children, or vice versa.

Rock's New Phenomenon: Family

By Ann Powers

New York Times Service

NEW YORK — "I am a child," sang *Neil Young* in 1968. "I'm last awhile. It was the flash point of a rock-and-roll-fueled youth explosion, and fans identified more with Young's naive protagonist than with the father figure making rules in the ballad's last verse.

"I Am a Child" magnified rock's romanticization of childhood — and of adolescence, which to most rockers means childhood plus sex. The song traced a legacy of teenage rebels and sweet little 16-year-olds to its origins in an emotional Never-Never Land.

In 1998, though, rock and its sibling genre, hip-hop, seem headed for a different future. On the MTV Music Video Awards, the rapper and actor *Will Smith* accepted his awards accompanied by his 5-year-old son, *Justin*; Smith's current single, "Just the Two of Us," is an ebullient ode to the boy. *Billie Joe*, of the punk band *Green Day*, focused his awards speech on his wife, at home awaiting the birth of their second child.

Performers included two cutting-edge mother figures: *Courtney Love* of Hole and the evening's big winner, *Madonna*, whose latest album, "Ray of Light," describes her spiritual awakening after the birth of her daughter. Rock-and-roll, the cultural home of perpetual adolescence, was clearly engaging the ultimate passage into maturity: parenthood.

The domestic realm has long provided fruitful subject matter for musicians in other genres like country and folk, which attract listeners of all ages and gain power from a different set of myths, including an often sentimental view of family life. When classic rockers have addressed their own children in song, they often invoke these other styles, tapping their melodrama and effectively sidestepping the conflict between such conventional feelings and rock-and-roll rebelliousness.

As rock-and-roll becomes a lifelong pursuit for many, the debauched dream of sex, drugs and general abandon is giving way to a new set of ambitions. Young rockers have seen *Mick Jagger* become a grandfather and *Bob Dylan* share the pop charts with his hit-making son, *Jakov*, and they are starting to question the illusion that the rock life style could or should stave off adult responsibility.

Rockers are eager to learn how to grow up without abandoning shared values like spontaneity and self-determination. Being a parent is a great metaphor for that attempt, and it is also a condition that many feel should no longer be hidden.

The attempt to infuse parenthood with rock-and-roll attitude extends from the mainstream to the underground. Once, female artists usually retired or at least took time off when pregnant, but the trend today is to pick up some groovy maternity gear and keep going, as *Posh* and *Scary Spice* are doing and *Erykah Badu* did. And once the kids are born, they are not always banished to nanny.

CROSSWORD

ACROSS

1 *Trent's last
Case" author
2 Pick-me-up
3 Core
3 Grand
achievement
4 Columnist
Barrett
5 "Hold On Tight"
rock grp.
6 *Guru's
shears
7 In her writings
8 Being, e.g.
9 Abbr.
10 Spots share?
11 Lose control of a
car
12 Marker
13 Money in the
bank, say
14 Petals in the
Wind" author
15 Bedding

16 Do a maître d's

17 Carpenter Peter

18 "I Can't Touch
This" singer
1950

20 Halloween
decoration

21 Tenant farmer

22 Subdivision of a
Roman legion

23 Per carmer

24 Ruler's length

25 *Dad has a
part in it. Abbr.

26 Reg. version

27 *Nosed children's

28 book illustrator
(one of six
"middle C"
people in this
puzzle)

29 Sad

30 Cpl. or sqtl.

31 Stranded

32 motorist's head

33 More of a
busybody

34 Around, so to
speak

35 Old-time Mel
tonic

36 Brooch game

37 Tack on

38 Angel

39 Meats memoria

40 Musical speeds

41 Went off an
angle

42 Appraise

43 Sensed odors,
old-style

44 Thom

45 shoe stores

46 Newborn's place

47 Wedding dance

48 Judge's seat

49 Freshly

50 Auction amount

51 Biblical verb
ending

52 *The Haunted
Palace" poet

53 Auction's seat

54 Back-to-back

55 ending

Solution to Puzzle of Nov. 3

HEAP PAPER SLED
OLLA IDAHO MADE
DAVY NOISE EMIR
SNAP TURN ELITE
HOPELESS TASK
ACTOR SEGOS
CRANES SOP SILO
HOMELESS SHELTER
EWES LAD STEEVE
ELMER CURIO
ENDLESS NIGHT
PERIL TAR HOWE
ERAS AGILE INON
EVIL BASTIE NERD
SYNE SITON GAMS

DOWN

1 Tease
2 Magnon
3 Nudge
4 Reared
5 "Cheer" regular
6 Stargazer
7 baseball
8 Like some log
9 Take flight to
unite?
10 Least
11 *Show Boat
composer

52 Notion in
Normandy

53 Personal
counselor

54 Military vehicle

55 Cayuga relative

56 One overseeing
monks' business?

57 Sad

58 Cpl. or sqtl.

59 Stranded

60 motorist's head

61 More of a
busybody

62 Around, so to
speak

63 Old-time Mel
tonic

64 Brooch game

65 Tack on

66 Angel

67 Meats memoria

68 Musical speeds

69 Went off an
angle

70 Appraise

71 Sensed odors,
old-style

72 Thom

73 shoe stores

74 Newborn's place

75 Wedding dance

76 Judge's seat

77 Freshly

78 Auction's seat

79 *The Haunted
Palace" poet

80 Auction's amount

81 Biblical verb
ending

DO YOU LIVE IN FRANCE?

- Subscribe and **SAVE** up to 60% off the cover price.
- Also available: **PAY MONTHLY** by easy, low cost, direct debit.

EARLY MORNING DELIVERY
TO YOUR HOME OR OFFICE

Herald Tribune

Subscriptions Customer Service Department:

TOLL FREE: 0800 4 448 7827 (0800 4 IHT SUBS)

or Fax: 01 41 43 92 10

E-mail: sub@iht.com

Internet: <http://www.iht.com>

PAYMENT BY MONTHLY DIRECT DEBIT

YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

My check is enclosed (payable to the IHT)

Charge my: Access Anex Eurocard MasterCard Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No.: Exp.:

Signature:

Please start delivery and send invoice.

Family Name:

First Name:

Job Title:

Mailing Address: Home Business

City: Code:

Telephone:

E-Mail Address:

Your VAT N° (Business orders only): VAT N° 747 320 211 26

I got this copy of the IHT at kiosk hotel airline other FR18



Doing what others dare not.

50 من الملايين

Herald Tribune

BUSINESS/FINANCE

WEDNESDAY, NOVEMBER 4, 1998

Find out what we're doing
www.kyocera.com

PAGE 13

INTERNATIONAL MANAGER

citigroup

Co-chairmen/chief executives

Their challenge has been to insure the successful integration of the two companies —Travelers Group and Citicorp — creating the world's largest financial services company that sells banking, insurance, brokerage and credit card services in more than 100 countries.

At Citigroup, Fears of Exodus
President's Exit Raises Specter of Collapse of Union With Travelers

By Timothy L. O'Brien
and Peter Truell
New York Times Service

NEW YORK — On Oct. 22, about 150 top executives of Citigroup Inc., the financial-services titan created by the combination this year of Citicorp and Travelers Group Inc., set out with their spouses for what was billed as four days of golf, corporate planning and managerial bonding at the Greenbrier resort in West Virginia.

But beneath the surface of this ostensibly amiable event, serious trouble was brewing. The day before, Citigroup posted a huge and disappointing plunge in third-quarter profit, and those ensconced at Greenbrier were soon complaining loudly about the trouble the company was having knitting together such disparate businesses as leading to big companies and bond and stock underwriting.

At one point, said executives at the meeting, Steven Black, a senior Citigroup executive, quarreled loudly with Deryck Maughan, vice chairman, over how best to manage the company's disparate corporate and investment-banking businesses. The man who finally stepped between them was James Dimon, Citigroup's president, who had been charged with smoothing out such differences.

But a week after that four-day session ended, at 2 P.M. Sunday at a conference center in Armonk, New York, Citigroup's co-chief executives, Sanford Weill and John Reed, responded to the turmoil in an even more direct

and surprising way: They asked for Mr. Dimon's resignation. Mr. Dimon, 42, was widely considered to be their heir apparent and had once seemed more like a son to Mr. Weill than an employee. But Mr. Dimon's bosses had evidently decided that he was not succeeding in melding the companies.

Beyond the high-level personnel problem lies a larger issue: A business combination announced only seven months ago and heralded as ushering in a new era in global capitalism and supermarket-style financial services is already showing signs of severe and potentially disastrous strain.

"It's certainly a loss of quality management," said Joan Solaar, an analyst at Donaldson, Lufkin & Jenrette. "Jamie played a significant role in executing the overall strategy. I think you'll see more departures and further turmoil."

There has been speculation that Mr. Black and other executives close to Mr. Dimon were considering quitting Citigroup. Mr. Black declined to comment, and Mr. Maughan did not respond to a telephone message seeking comment.

Mr. Dimon's departure leaves a gaping hole at the top of Citigroup, and many analysts and employees are questioning the wisdom of the decision to ask him to leave.

"I found it shocking," a top Citigroup executive said, insisting on anonymity. "He was basically fired, and a lot of it had to do with corporate politics. Jamie had a lot of fans here."

Such was Mr. Dimon's popularity that when he walked onto the trading floor of the brokerage unit, Salomon

Smith Barney Inc., Monday morning, he was met with a standing ovation.

Mr. Weill and Mr. Dimon have come a long way together, becoming a favorite double act both for Wall Street and for investors. Their presentations to the investment community routinely impressed analysts, with Mr. Dimon the quiet and trusted right hand and analyst for Mr. Weill.

The two executives who have been tapped to run corporate and investment-banking businesses, once considered part of Mr. Dimon's bailiwick and not seen as credible candidates for Citigroup's presidency.

Victor Menezes, the former president of Citicorp, is regarded as a competent, though not stellar, manager. Michael Carpenter, former head of the Travelers life-insurance and annuities business, has a notable blemish on his résumé: He ran General Electric Co.'s Kidder, Peabody & Co. unit during a financial scandal involving the one-time bond-trading star Joseph Jett.

Despite Mr. Dimon's popularity, he has had a rocky tenure over the past year jointly supervising Salomon Smith Barney's investment-banking activities with Mr. Maughan. The unit incurred hundreds of millions of dollars in trading losses in the third quarter, largely because of errant bets on overseas markets and other risky bond investments.

In the executive shake-up announced Sunday, Citigroup stripped Mr. Maughan of any real management duties and appointed him to a largely ceremonial role as a vice chairman. In his deposition, Mr. Gates said that when he walked onto the trading floor of the brokerage unit, Salomon

See EXECUTIVES, Page 15

Gates's Testimony: Soft and Evasive

Microsoft Chairman Shows Another Side in His Battle With Government

By Steve Lohr
and Joel Brinkley
New York Times Service

WAshington — The Bill Gates on the courtroom screen was evasive and uninformative, pedantic and vacuous — a world apart from his reputation as a brilliant business strategist, guiding every step in Microsoft Corp.'s rise to dominance in computing.

In two hours of videotaped questioning shown at the Microsoft antitrust trial here Monday, a small part of the three-day deposition he gave last summer, Mr. Gates professed ignorance of several key charges in the government's case, including allegations that he had been involved in plans to bully competitors and that Microsoft had used its market muscle to stifle competition from Internet software markets that Microsoft sought to dominate.

When presented with electronic-mail messages he had written, he often said he did not recognize the messages or recall the discussions surrounding them. To question after he answered, "I don't remember using those words," or "I'm not sure what you're trying to say."

Microsoft contends that the few hours of taped excerpts, drawn from 20 hours of questioning by government lawyers, were often taken out of context, selected merely to embarrass Mr. Gates and Microsoft and having little direct bearing on the case.

Through two hours of verbal thrusts and parries, David Boies, the Justice Department's trial lawyer, never quite succeeded in trapping Mr. Gates, and Mr. Gates was generally unable to discredit the assertions that were made by Mr. Boies.

During the deposition, taped over three days in August, Mr. Gates was confronted again and again by e-mail — his own and messages sent to him by other Microsoft executives.

The government's case, in its broadest terms, is that Microsoft has used its market muscle to fashion a network of relationships that would ensure that the rise of the Internet did not weaken its dominance. It began with trying, in a meeting that took place on June 21, 1995, to divide up with its main rival, Netscape Communications Corp., the market for software used to browse the World Wide Web.

In his deposition, Mr. Gates said that

during the period around June 1995 he had "no sense of what Netscape was doing."

Microsoft documents often seem to contradict Mr. Gates's profession of ignorance. In an internal document titled "The Internet Tidal Wave," written on May 26, 1995, by Mr. Gates, he gives an authoritative analysis of Netscape's strategy.

He called Netscape a "new competitor 'born' on the Internet," whose goal was to "commoditize" the value of the personal computer operating system.

The government asserts that Microsoft unfairly used its market muscle to force Apple to choose its Internet Explorer instead of Netscape's Navigator as the main browser on Apple Macintosh computers.

A key weapon in that campaign, the government says, was to threaten to cancel developing the Macintosh version of its industry-standard Microsoft Office software.

This threat, Mr. Gates was informed in an e-mail from a subordinate, "is certainly the strongest bargaining point we have, as doing so will do a great deal of harm to Apple immediately."

CURRENCY & INTEREST RATES

Cross Rates		Nov. 3									
		U.S.	£	¥	CHF	DE	FR	JP	MXN	SGD	HKD
Amsterdam	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Brussels	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Frankfurt	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
London (0)	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Madrid	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
New York	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
New York (0)	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Paris	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Tokyo	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Tokyo (0)	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
U.S.D.	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
U.S.D.	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Other Dollar Values											
Currency	Currency	Currency	Currency	Currency	Currency	Currency	Currency	Currency	Currency	Currency	Currency
Per S.	Per P.	Per C.	Per F.	Per D.	Per CHF	Per DE	Per FR	Per JP	Per MXN	Per SGD	Per HKD
Argent. peso	1.0599	1.6695	1.2444	0.8202	1.0203	1.0403	1.0120	1.0208	1.0197	1.0197	1.0197
Australia \$	1.5974	1.6955	1.2290	0.8280	1.0250	1.0480	1.0140	1.0270	1.0260	1.0260	1.0260
Austria sch.	1.172	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Belgium, Belg.	1.093	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Denmark kr.	26.80	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Dutch guilder	4.2118	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Egypt, pound	2.43	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Greek drach.	2.78	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Iceland kr.	1.085	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Malta, ring.	3.7908	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Norw. kr.	10.03	1.697	1.229	0.828	1.025	1.048	1.014	1.027	1.026	1.026	1.026
Forward Rates											
Currency	30-day	60-day	90-day	180-day	360-day	540-day	720-day	900-day	1,080-day	1,260-day	1,440-day
Per S.	1.0854	1.6972	1.2291	0.8280	1.0250	1.0480	1.0140	1.0270	1.0260	1.0260	1.0260
Canadian dollar	1.5250	1.5248	1.5246	1.5244	1.5242	1.5240	1.5238	1.5236	1.5234	1.5232	1.5230
Deutsche Mark	1.6612	1.6610	1.6608	1.6606	1.6604	1.6602	1.6600	1.6598	1.6596	1.6594	1.6592
Japanese yen	114.68	114.04	113.54	113.07	112.60	112.13	111.67	111.20	110.73	110.26	

NYSE

Tuesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
-includes stocks not reflecting late trades elsewhere

ationwide prices not reflecting late trades elsewhere. — The Associated Press

The Associated Press

12 Month High	12 Month Low	Stock	Div Yld	PE	SIS	100s High	Low	Latest Chg
---------------	--------------	-------	---------	----	-----	-----------	-----	------------

12 Month										12 Month												
High	Low	Stock	Dv	Yld	PE	100s	High	Low	Last	Chg	High	Low	Stock	Dv	Yld	PE	100s	High	Low	Last	Chg	
157a	26a	Bailey	37p	-	867	516	519	516	516	+1	241	234	Conoco	n	56	14	16776	257	247	25	+16	
25a	21a	Bailey	-	66	452	616	616	616	616	+16	214	210	Conoco	p	56	14	2310760	374	340	374	+16	
25a	11a	Baldwin	20	12	29	2933	165	1494	165	+16	20	19	Conoco	p	56	14	527	445	425	425	+16	
51a	91a	Baldwin	-	15	15727	227	227	227	227	+16	20	19	Conoco	p	56	14	138	274	259	259	+16	
51a	40a	Baldwin	1.54	2.8	30217	780	626	541	626	+16	20	19	Conoco	p	56	14	1324	257	247	247	+16	
16a	34a	Baldwin	-	24	21048	100	754	754	754	+16	19	18	Conoco	p	56	14	189	247	237	237	+16	
82a	47a	Baldwin	1.43	1.8	24	21048	100	754	754	+16	18	17	Conoco	p	56	14	124	174	154	154	+16	
20a	13a	Baldwin	0.34	1.2	34	17	1040	304	304	+16	17	16	Conoco	p	56	14	124	174	154	154	+16	
46a	33a	Baldwin	-	46	587	96	96	96	96	+16	16	15	Conoco	p	56	14	124	174	154	154	+16	
10a	21a	Baldwin	-	66	616	6	6	6	6	+16	15	14	Conoco	p	56	14	124	174	154	154	+16	
64a	33a	Baldwin	0.01	1.1	31	7350	534	534	534	534	+16	14	13	Conoco	p	56	14	124	174	154	154	+16
5689	145a	Berk Ha	-	123	123	215	215	215	215	+16	13	12	Conoco	p	56	14	124	174	154	154	+16	
2795	12a	Berk H	97	102	92	93	135	135	135	+16	12	11	Conoco	p	56	14	124	174	154	154	+16	
20a	10a	Berk H	40	31	31	7206	504	495	495	495	+16	11	10	Conoco	p	56	14	124	174	154	154	+16
5499	13a	Berk H	0.98	1.8	31	7206	504	495	495	495	+16	10	9	Conoco	p	56	14	124	174	154	154	+16
678	42a	Berk H	-	8184665	636	636	636	636	636	+16	9	8	Conoco	p	56	14	124	174	154	154	+16	
17a	17a	Berk H	2.50	9.3	115	163	163	163	163	+16	8	7	Conoco	p	56	14	124	174	154	154	+16	
16a	25a	Berney n	-	14	6447	7	7	7	7	+16	7	6	Conoco	p	56	14	124	174	154	154	+16	
35	15a	BettyFlower	0.85	2.8	25	1164	162	162	162	162	+16	6	5	Conoco	p	56	14	124	174	154	154	+16
38	20a	Bentley	0.85	2.8	25	1164	162	162	162	162	+16	5	4	Conoco	p	56	14	124	174	154	154	+16
28	23a	Bentley	-	25	714	446	456	456	456	+16	4	3	Conoco	p	56	14	124	174	154	154	+16	
13	13a	Bentley	10m	20	48	9	9879	5%	476	+16	3	2	Conoco	p	56	14	124	174	154	154	+16	
20a	20a	Bentley	0.01	0.03	17	263	263	263	263	263	+16	2	1	Conoco	p	56	14	124	174	154	154	+16
10	9a	Bentley	47	47	47	291	99%	99%	99%	99%	+16	1	1	Conoco	p	56	14	124	174	154	154	+16
9a	8a	Bentley	0.01	0.4	17	1024	9	894	894	894	+16	1	1	Conoco	p	56	14	124	174	154	154	+16
6a	8a	Bentley	0.01	0.4	17	1024	9	894	894	894	+16	1	1	Conoco	p	56	14	124	174	154	154	+16
16a	14a	Bentley	2.78	2.78	113	164	155	155	155	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
16a	14a	Bentley	2.80	2.80	473	7	69%	7	69%	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
20a	20a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.5	473	473	163	163	163	+16	1	1	Conoco	p	56	14	124	174	154	154	+16	
11a	10a	Bentley	0.01	0.																		



TEFAF BASEL '58

International Fine Art

and Antiques Fair

7-15 November 1988

Continued on Page 17

NASDAQ

Tuesday's 4 P.M.
1000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.

~ The Associated Press.

INTERNATIONAL INVESTING

U.S. Corporate Profits Fell in 3d Quarter for First Time Since 1991 Recession

By George Hager
Washington Post Service

WASHINGTON — U.S. corporate profits stumbled in the quarter that ended in September, producing the first year-to-year drop since the United States was clawing its way out of recession in 1991.

Economists said companies had been squeezed by higher labor costs at home, financial weakness around the globe and an environment that made it difficult to raise prices. Those and other factors combined to push operating profits for America's largest companies more than 3 percent below the total in last year's third quarter, according to First Call Corp., a Boston firm that tracks analysts' forecasts and company earnings reports.

While the majority of big U.S. businesses remained profitable, and about three-fifths of them beat last year's numbers, overall profitability was dragged down by the two-fifths of companies that fell below last year's results — chiefly financial companies, energy producers, and companies that sell basic materials

such as steel and chemicals. Those that beat last year's numbers included technology companies and retailers, both of which were aided by continuing strong consumer demand at home.

Economists said they were not sure whether the falloff in profits was a temporary blip or the leading edge of something worse — an economic slowdown, or perhaps even a recession in the United States.

"Right now, about 40 percent of the world is in economic recession, and the U.S. could get into a recession in 1999," said Sung Won Sohn, senior vice president and chief economist at Norwest Corp. "I think it's going to get worse before it gets better."

Richard Bernstein, chief quantitative strategist for Merrill Lynch & Co., was similarly pessimistic. "The profit cycle continues to decelerate," he said. "The profits recession that we think the United States is in continuing, and it's lengthening and deepening."

The stock market, on the other hand,

has treated the profit numbers as old, and not particularly worrisome, news. The Dow Jones industrial average surged last month to its highest level since it had peaked in July.

Financial analysts had warned that the third-quarter numbers would be particularly ugly, and the arrival of actual figures not quite as bad as those pro-

duced would have horrified investors just four or five months ago. First Call measures operating profits according to a benchmark that excludes "unusual" and non-recurring charges such as accounting changes and restructuring costs.

At the beginning of July, the consensus of analysts was that this year's third-quarter profits would beat last

positive surprises," Mr. Bernstein said. "In fact, if investor-relations people have their way, they're going to make the negative surprise extinct in the next several years by just manipulating expectations."

Now, with 421 of the companies in the Standard & Poor's 500-stock index reporting, third-quarter earnings are in fact down 3.2 percent from last year's third quarter, according to First Call's research director, Chuck Hill.

Mr. Hill said he expected the final tally to be about 1 percent to 2 percent below last year when rosier results trickle in from retail companies this month and pull the average up. That would still mark the worst performance since the third quarter of 1991, when the United States was entering the notorious "jobless recovery" that followed the 1990-91 recession.

Mr. Hill said sectors that had already done poorly because of soft commodity prices and weak international markets — oil companies and firms producing basic materials — were joined by two

other big sectors: banks and financial companies, which were bled by the downturn in domestic and world markets. Companies that supply capital equipment to industries already hurt by the slowdown in international markets — farm equipment, heavy construction equipment and drilling services — are also expected to suffer.

A common theme among companies that fell below last year's levels is ongoing weakness abroad, and this cut two ways. Industries that depend heavily on sales in international markets have suffered, but so have industries that sell domestically but compete with companies from abroad. The prime example of that phenomenon is the steel industry, which has been staggered lately by low-prime imports from producers in Russia, Japan, Brazil and other countries where domestic demand is way down.

"What they're doing is shipping over steel with no customers," said Sam Siegel, chief financial officer of the steel producer Nucor Corp. "When a customer knows that, they can really deal."

While most companies continued to post earnings growth, financial firms, energy producers and those that sell basic materials such as steel and chemicals pulled down the average.

junctions came as a pleasant surprise.

"It had already had its impact," said Anthony Dwyer, chief market strategist for Ladenburg Thalmann & Co. "You can't debate that the negatives are there; what you can debate is whether it's priced into the marketplace."

The Dow rose 750 points — nearly 10 percent — through October, even as companies disclosed earnings that

year's third-quarter numbers by more than 10 percent. But as global conditions worsened, analysts knocked those estimates down to no growth at all over last year and finally to 3.2 percent less than last year by Oct. 12, just as companies began to report their actual third-quarter numbers.

Investor-relations people set expectations so low that you were bound to get

India Slump Hits Some Basic Industries

Bloomberg News

BOMBAY — Indian steel, cement and auto companies are facing their worst year of the decade as the financial reports of thousands of Indian companies show an economic slump continuing into its third year.

Last week, listed companies finished reporting their earnings for the quarter that ended Sept. 30.

The numbers confirmed worries that an oversupply of metals, autos, textiles and chemicals is continuing, with big companies such as Steel Authority of India Ltd. and Tata Engineering & Logistics Co. posting losses.

The growth rate of the Indian economy slowed to 5 percent last year from an average of 7 percent in the previous three years.

The only notes of cheer for investors in Indian shares came from producers of computer software, drugs, soap and health foods.

Indian software makers, whose shares have been among the best performers in the world the past two years, continued

their good run as they expanded their business in the United States and Europe to help deal with the so-called year 2000 bug and to help adjust computers for the Jan. 1 introduction of the euro, the European Union's common currency.

"India has always been a story of some well-managed companies," said Ved Prakash, chief investment officer of SBI Funds Management Ltd.

"It is time we sift them from the bad ones; it is time to select the men from the boys."

Shares of companies such as Hindustan Lever Ltd., a personal-care and processed-foods unit of Unilever PLC; Glaxo India Ltd., a medicine-manufacturing unit of Glaxo Wellcome PLC; and ITC Ltd., the biggest Indian cigarette maker and a unit of British American Tobacco PLC, provided fund managers with some respite.

Hindustan Lever's profit shot up 43 percent, and ITC's earnings rose 14 percent.

Hindustan Lever and ITC shares have each gained 23 percent in the last year,

while most other companies have gained 23 percent in the last year, continued

and Glaxo India shares have risen 13 percent even as the Bombay Stock Exchange's benchmark Sensitive Index of 30 top shares lost 13.3 percent.

The biggest gainers, though, were software stocks. In the past three years, fund managers who bought into companies such as Infosys Technologies Ltd., Satyam Computers Ltd. and NIIT Ltd. were rewarded more than others.

Many investors, sensitive to the economic slowdown, sold shares of India's leading automaker, Tata Engineering & Locomotive Co., and of the two biggest steel makers — Steel Authority of India and Tata Iron & Steel Co. — in order to invest in the software makers.

Infosys shares have gained 85 percent in the past year, while Satyam shares have surged 300 percent and NIIT shares 103 percent. Meanwhile, shares of Tata Engineering and Tata Steel are close to their lows for the decade.

Infosys said profit for the quarter rose 106 percent, to 284 million rupees (\$6.7 million), while Satyam's profit more than doubled, to 184 million rupees.

Singaporeans will be allowed to use their money held in the Central Provident Fund, the country's mandatory savings plan, to buy bonds sold by government agencies such as the Housing and Development Board, the city-state's public housing developer, the government said. The move was viewed as an attempt to enliven Singapore's bond market.

• India's decision not to sell shares of the state-controlled transportation company Container Corp. overseas shows that the global exodus from emerging markets may keep the government from raising the money it needs to keep its deficit in check, analysts said. The government, which has been delaying the sale of its 77 percent stake in the company since last year and originally planned to sell some shares abroad, announced last weekend that it would sell some of its stake, and only in India.

• Sumitomo Trust & Banking Co., Japan's second-biggest trust bank, will develop a dollar-denominated mutual fund with Chase Manhattan Corp. Dozens of Japanese banks and brokers have formed alliances and joint ventures with foreign-owned financial companies in asset management ahead of the Dec. 1 scrapping of regulations that give brokers the exclusive right to sell mutual funds.

• Prudential Securities Inc. predicted that small-capitalization stocks, which have lagged in recent months, would benefit from the U.S. Federal Reserve Board's two cuts in the discount rate in recent weeks.

• The Bond Market Association, a trade group, will begin

daily postings on its World Wide Web site of 1,000 municipal bond transactions tracked by the Municipal Securities Rule-making Board. The data will be available free at www.investinginbonds.com.

• Thomas Herzfeld, an investment adviser in Miami, plans to offer a closed-end Cuba fund that would invest primarily in companies permitted to do business there. If the trade embargo against Cuba is lifted, the fund will also invest directly in Cuban businesses, according to a Securities and Exchange Commission filing.

• Hyundai Electronics Industries Co., LG Electronics Co. and 13 other units of South Korean conglomerates will sell 2.28 trillion won (\$1.73 billion) of new shares in the next two months, the Korea Stock Exchange said. The amount equals 70 percent of the total new shares to be sold. South Korea's largest industrial groups, known as *chaebol*, have been rushing to sell new shares since the government limited their access to the corporate debt market, raising concern that their earnings would be diluted. Daewoo Corp., the flagship of Daewoo Group, and Daewoo Heavy Industries Co., a shipbuilder, said they were also considering selling new shares.

• China Aerospace International Holdings Ltd., a government-backed maker of home electronic appliances and molds, liquid-crystal display panels and television sets, will sell 142 million Hong Kong dollars (\$18.3 million) of shares to reduce its debt, said CEF GC Brokerages Ltd., the underwriter for the sale.

Bloomberg, N.Y.

Very briefly:

• The Bond Market Association, a trade group, will begin

Advertisement

For information please contact:

Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funds@ihrt.com

INTERNATIONAL FUNDS

Outcomes supplied by fund groups to STANDARD & POOR'S MICROFILM, c. 23-40 28 09, 6th ed. India Gramercy

To receive free daily quotations for your funds subscribe at: e-funds@ihrt.com

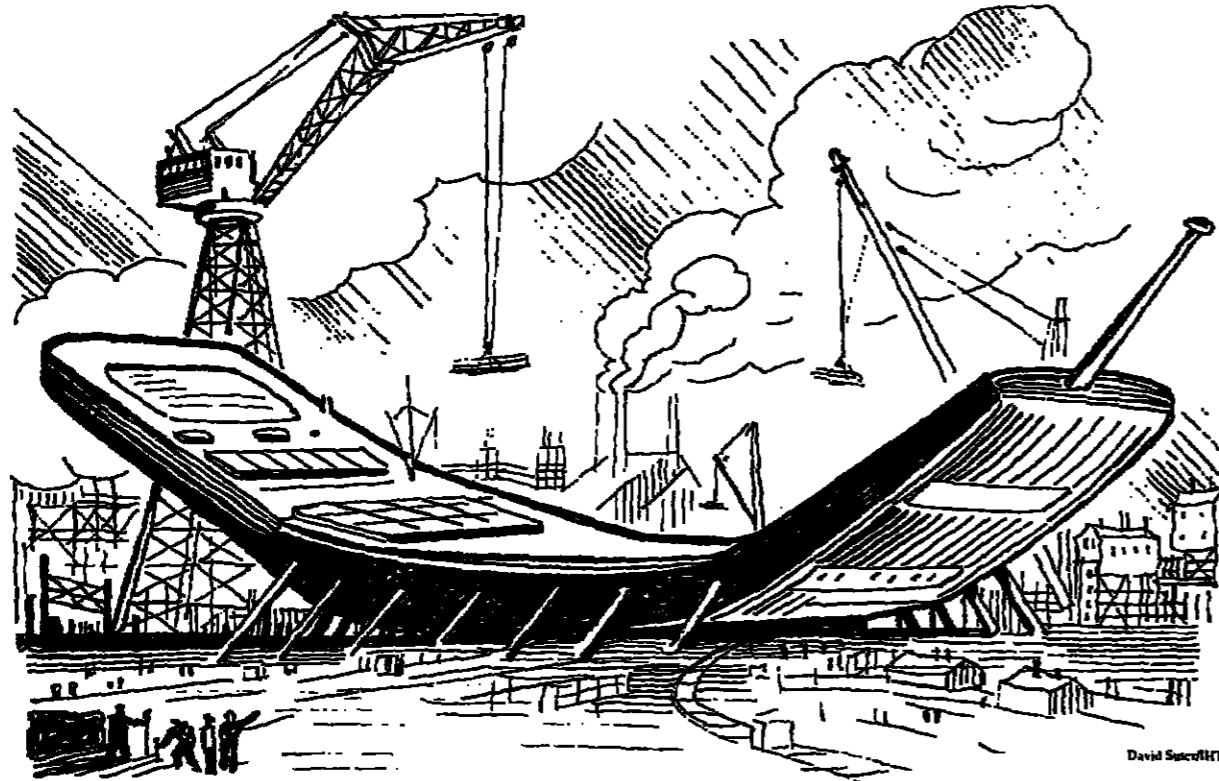
November 3, 1998

<http://www.ihrt.com/Funds>

001 ABC ISLAMIC BANK (ETC)	002 ABC BANK (PA) 2000/2000 TI 522350	003 ABC BANK (PA) 2000/2000 TI 522350	004 ABC BANK (PA) 2000/2000 TI 522350	005 ABC BANK (PA) 2000/2000 TI 522350	006 ABC BANK (PA) 2000/2000 TI 522350	007 ABC BANK (PA) 2000/2000 TI 522350	008 ABC BANK (PA) 2000/2000 TI 522350	009 ABC BANK (PA) 2000/2000 TI 522350	010 ABC BANK (PA) 2000/2000 TI 522350	011 ABC BANK (PA) 2000/2000 TI 522350	012 ABC BANK (PA) 2000/2000 TI 522350	013 ABC BANK (PA) 2000/2000 TI 522350	014 ABC BANK (PA) 2000/2000 TI 522350	015 ABC BANK (PA) 2000/2000 TI 522350	016 ABC BANK (PA) 2000/2000 TI 522350	017 ABC BANK (PA) 2000/2000 TI 522350	018 ABC BANK (PA) 2000/2000 TI 522350	019 ABC BANK (PA) 2000/2000 TI 522350	020 ABC BANK (PA) 2000/2000 TI 522350	021 ABC BANK (PA) 2000/2000 TI 522350	022 ABC BANK (PA) 2000/2000 TI 522350	023 ABC BANK (PA) 2000/2000 TI 522350	024 ABC BANK (PA) 2000/2000 TI 522350	025 ABC BANK (PA) 2000/2000 TI 522350	026 ABC BANK (PA) 2000/2000 TI 522350	027 ABC BANK (PA) 2000/2000 TI 522350	028 ABC BANK (PA) 2000/2000 TI 522350	029 ABC BANK (PA) 2000/2000 TI 522350	030 ABC BANK (PA) 2000/2000 TI 522350	031 ABC BANK (PA) 2000/2000 TI 522350	032 ABC BANK (PA) 2000/2000 TI 522350	033 ABC BANK (PA) 2000/2000 TI 522350	034 ABC BANK (PA) 2000/2000 TI 522350	035 ABC BANK (PA) 2000/2000 TI 522350	036 ABC BANK (PA) 2000/2000 TI 522350	037 ABC BANK (PA) 2000/2000 TI 522350	038 ABC BANK (PA) 2000/2000 TI 522350	039 ABC BANK (PA) 2000/2000 TI 522350	040 ABC BANK (PA) 2000/2000 TI 522350	041 ABC BANK (PA) 2000/2000 TI 522350	042 ABC BANK (PA) 2000/2000 TI 522350	043 ABC BANK (PA) 2000/2000 TI 522350	044 ABC BANK (PA) 2000/2000 TI 522350	045 ABC BANK (PA) 2000/2000 TI 522350	046 ABC BANK (PA) 2000/2000 TI 522350	047 ABC BANK (PA) 2000/2000 TI 522350	048 ABC BANK (PA) 2000/2000 TI 522350	049 ABC BANK (PA) 2000/2000 TI 522350	050 ABC BANK (PA) 2000/2000 TI 522350	051 ABC BANK (PA) 2000/2000 TI 522350	052 ABC BANK (PA) 2000/2000 TI 522350	053 ABC BANK (PA) 2000/2000 TI 522350	054 ABC BANK (PA) 2000/2000 TI 522350	055 ABC BANK (PA) 2000/2000 TI 522350	056 ABC BANK (PA) 2000/2000 TI 522350	057 ABC BANK (PA) 2000/2000 TI 522350	058 ABC BANK (PA) 2000/2000 TI 522350	059 ABC BANK (PA) 2000/2000 TI 522350	060 ABC BANK (PA) 2000/2000 TI 522350	061 ABC BANK (PA) 2000/2000 TI 522350	062 ABC BANK (PA) 2000/2000 TI 522350	063 ABC BANK (PA) 2000/2000 TI 522350	064 ABC BANK (PA) 2000/2000 TI 522350	065 ABC BANK (PA) 2000/2000 TI 522350	066 ABC BANK (PA) 2000/2000 TI 522350	067 ABC BANK (PA) 2000/2000 TI 522350	068 ABC BANK (PA) 2000/2000 TI 522350	069 ABC BANK (PA) 2000/2000 TI 522350	070 ABC BANK (PA) 2000/2000 TI 522350	071 ABC BANK (PA) 2000/2000 TI 522350	072 ABC BANK (PA) 2000/2000 TI 522350	073 ABC BANK (PA) 2000/2000 TI 522350	074 ABC BANK (PA) 2000/2000 TI 522350	075 ABC BANK (PA) 2000/2000 TI 522350	076 ABC BANK (PA) 2000/2000 TI 522350	077 ABC BANK (PA) 2000/2000 TI 522350	078 ABC BANK (PA) 2000/2000 TI 522350	079 ABC BANK (PA) 2000/2000 TI 522350	080 ABC BANK (PA) 2000/2000 TI 522350	081 ABC BANK (PA) 2000/2000 TI 522350	082 ABC BANK (PA) 2000/2000 TI 522350	083 ABC BANK (PA) 2000/2000 TI 522350	084 ABC BANK (PA) 2000/2000 TI 522350	085 ABC BANK (PA) 2000/2000 TI 522350	086 ABC BANK (PA) 2000/2000 TI 522350	087 ABC BANK (PA) 2000/2000 TI 522350	088 ABC BANK (PA) 2000/2000 TI 522350	089 ABC BANK (PA) 2000/2000 TI 522350	090 ABC BANK (PA) 2000/2000 TI 522350	091 ABC BANK (PA) 2000/2000 TI 522350	092 ABC BANK (PA) 2000/2000 TI 522350	093 ABC BANK (PA) 2000/2000 TI 522350	094

Telecommunications

A Cornucopia: The Data Revolution Transforms Markets



David Suter/NET

By Sharon Reier

PARIS — This was supposed to have been the year of despair for the world's giant telecommunications companies. As the European Union liberalized the telephone market and the United States opened the local market to long-distance players, and vice versa, the incumbents were supposed to have suffered at the hands of lean, entrepreneurial challengers.

Well, the challengers have arrived. MCI WorldCom, Qwest, Esprit, RSL, Colt and others are putting down prices. But it turns out that the telecoms feast has grown big enough for everyone.

While growth in traditional voice telephony is relatively low and vulnerable to competitive pressures, the explosion in portable phones and, most importantly, in Internet and data transmission is producing new services, new growth patterns and new pressures no one could have foreseen.

Data, for instance, is expected to play a greater role in mobile phones. Jorma Ollila, the CEO of Nokia Oy, the world's top mobile phone manufacturer, predicted recently that by 2005 there would be "about one billion subscribers, and that a substantial portion of

the phones sold that year will have multimedia capabilities."

Then there is e-mail. In the United States, there are 47 million adults online who, by the end of the year, will be sending 500 million e-mails per day, according to Forrester Research, a Massachusetts-based Internet consultancy.

By 2002, said a Forrester senior analyst,

Kane Delhagen, "there will be 1.5 billion e-mails per day in the United States,

or an average of 12 per person."

And Europeans, albeit more slowly, are starting to sign on, too. Forrester predicts that Europe will have 53.2 million adults on the Net by 2001. In Germany, Deutsche Telekom's T-Online already boasts 2.5 million subscribers, the largest group in Europe.

In France, France Telecom predicts that it will have at least 400,000 Internet subscribers by the end of this year. Cetel, its main rival in the consumer market, will have 300,000.

"E-mail volumes tend to increase geometrically," said Ms. Delhagen, since "a person can send or forward e-mail to many people with a simple key-stroke."

And e-mail is a lot cheaper than the alternatives. For some services in the United States, an e-mail is free. In Germany, an e-mail costs the lowest local

call rate, or just pennies. That competes with much higher average fax prices and over 60 cents for a letter.

But this also means added pressure on telecom operators to send data through fiber optic cables and to use new transmission technology, such as Internet Protocol. Since Internet Protocol data transmission can deliver voice, text and video, it is ideal for the kind of multimedia applications that major corporations are requiring, like video conferencing.

"This market is growing at a speed that nobody foresaw," said Pat Chapman-Pincher, senior vice president international, for UUNet Technologies, the world's largest carrier of Internet traffic, and a subsidiary of MCI WorldCom. The company's ambitions are to provide one-stop global communications shopping to multinational clients.

"Ten years ago," recalled Ms. Chapman-Pincher, "networks were 90 percent voice and 10 percent data. Now we are seeing the [data] network traffic doubling every three months. In some areas, there has been a complete flip to 80 percent data and 20 percent voice."

Keith Mallinson, managing director of the Yankee Group, Europe, a tele-

Continued on Page 22

In France, a Tilt at Microsoft Academic Accuses U.S. Firm of Stifling Competition

By Barry James

BRUSSELS — While Microsoft has been holding its front line against the U.S. Department of Justice, it has also been taking flanking fire from a prominent French academic, who accuses it of abusing a monopoly position to impose mediocre products in Europe and stifle competition.

Robert Di Cosmo, a researcher and teacher at the prestigious Ecole Normale Supérieure that trains France's university lecturers, warned that Microsoft's practices threaten to plunge the world into "an obscure technological Middle Ages, dominated by a few feudal lords who seize control of writing and any other means of communication to collect a tax every time we breathe."

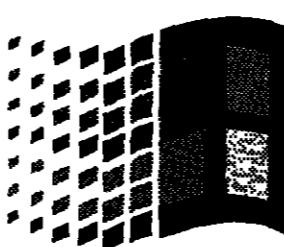
The attack prompted a long counter-blast last

month from the director of Microsoft France, Marc Chardon, who accused Mr. Di Cosmo of doing little more than "relying unfounded rumors circulating on the Internet."

Mr. Di Cosmo, co-author of a recent book called "Le Hold-up Planétaire," and an Internet-published fulmination entitled "Piège dans le Cyberspace" — "Cybersnare" in English translation — criticized both Microsoft's technology and its commercial strategy. He said the pre-installation of Microsoft's Windows operating system on new computers amounted to a tax on computing. He also said it was a breach of French consumer law, which states that it is illegal to tie the sale of one product to the purchase of another, and of articles 85 and 86 of the European Union's founding Treaty of Rome.

"This tax is in no way virtual," he said. "Enormous."

Continued on Page 22



This technology is distributed in Europe at exorbitant prices.

In China, Conflicting Signals Foreigners Struggle to Interpret How to Do Business

By Ted Plafker

BEIJING — For the world's largest telecommunications companies, the only firm truth about China is that they need to be here. A huge and rapidly expanding market in its own right, China is also a key battleground in the global struggle between competing technical standards for the wireless networks of the future.

Beyond that certainty, however, everything else about the Chinese market is open to interpretation. Are foreign firms allowed to invest in Chinese networks or participate in telecoms service ventures? That depends on whom you ask.

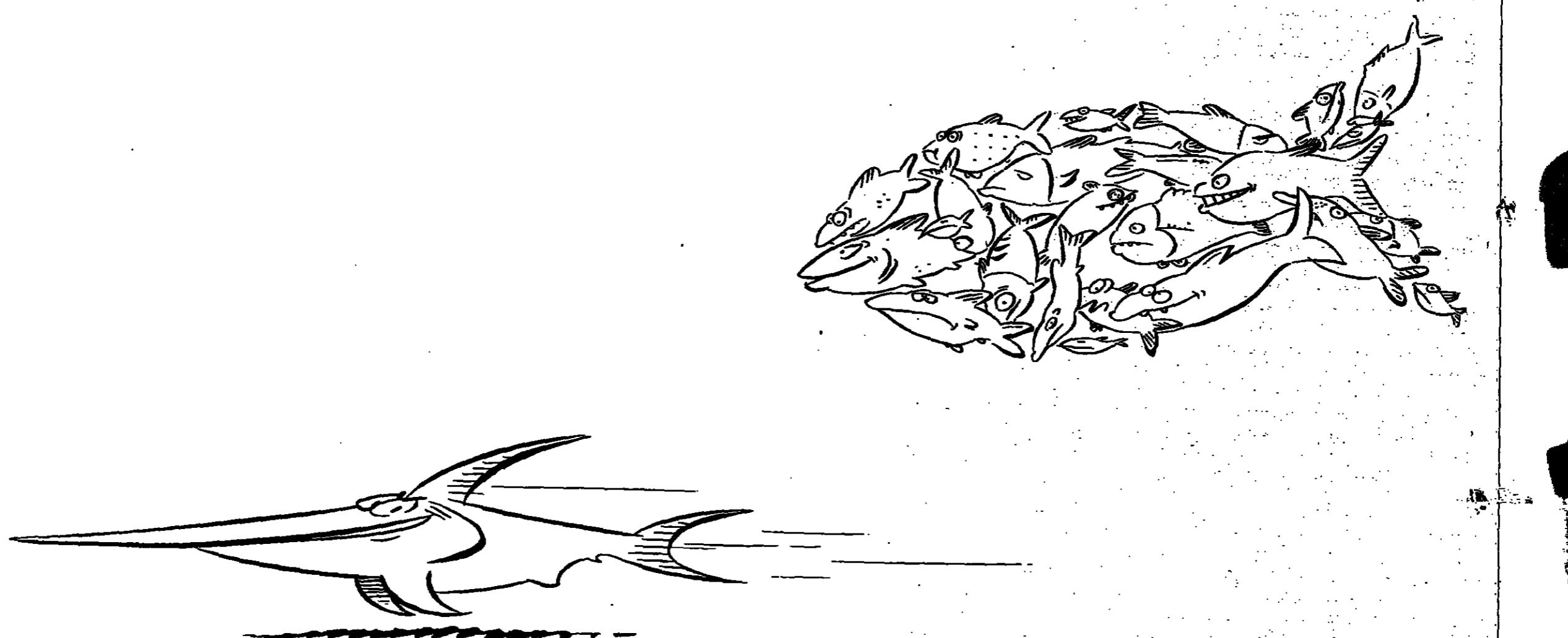
Will domestic competitors really be allowed to challenge the near-monopoly of China Telecom? Government regulators say yes, but they also happen to run China Telecom, and seem to have done more to

block competition than to foster it. And will China's People's Liberation Army get out of the telecoms business now that the military has been ordered to drop its commercial sideline activities? That order was publicly issued in July by Jiang Zemin, president of China and commander in chief of the armed forces, but little has been done so far to implement it.

Adding to the confusion, China undertook a bureaucratic overhaul this year, eliminating some ministries and merging others. The former Ministry of Post and Telecommunications has expanded by absorbing the ministry that managed the computer industry and parts of the broadcasting bureaucracy. It is now called the Ministry of Information Industry.

"All this leaves a lot of foreign companies feeling unsure how to deal here," said Denis Simon, director of China strategy for Andersen Consulting.

Continued on Page 22



IN GLOBAL COMMUNICATIONS ONE SUPPLIER IS BETTER THAN MANY.

Your multinational network is increasingly important to your global competitiveness. It is the main information artery of your business, carrying everything from supply chain transactions to e-mail. So your choice affects the whole enterprise.

One supplier worldwide

The ideal network maximizes your IT systems investment. Performance matches needs, traffic is properly prioritized. Services are consistent and reliable, worldwide. Installation and support services

are there where and when you need them. And if one organization can handle it all, end to end, that would be perfect.

Infonet is uniquely focused on providing global network solutions. Leading industry analysts recommend us over PTT-based alliances. The leading networking journal ranks us as a market leader. Why? Advanced services, stability and global reach. Benefits enjoyed by Allergan, Donna Karan, Nestle, Thomas Cook and 25% of the world's top 1000 businesses.

Relying on enterprise solutions?

Our global networking services have anticipated your changing needs for 28 years. Infonet introduced the first global IP network in 1991, before the term intranet existed. Today, we meet the demands of globally-integrated enterprise applications from SAP, BAAN and PeopleSoft in addition to Lotus Notes™ and Microsoft Exchange™. We offer customized solutions built on advanced intranet, extranet, Internet and voice services, using the broadest range of technologies in our market.

All this is supported by Infonet in 59 countries with connections in over 180. We are there to develop your network plan, install your equipment and support it locally. So, for the best value in advanced networking from one stable global supplier, call Infonet.

infonet

TELECOMMUNICATIONS / A SPECIAL REPORT

Equipment Makers Race to Get Right Products

With Explosion in Data Networking, Companies Readjust Strategies to Meet New Demands

By Tom Buerkle

LONDON — Ever since the introduction of the World Wide Web began triggering explosive growth of Internet use earlier this decade, technology gurus have been predicting a convergence between conventional voice telephony and the rapidly evolving market for transmitting data.

Today, the world's leading telecommunications equipment makers are signaling their belief that convergence is at hand. Recent weeks have seen a scramble among these companies to acquire and develop the technologies to send voice, data and video around the world in the 21st century.

In October, Alcatel SA paid \$315 million to acquire Packet Engines Inc., a privately held U.S. company that makes gigabit Ethernet switches for handling corporate Internet traffic. The move came just a few weeks after Alcatel sent its stock price plummeting 38 percent in one day by announcing that a drop in orders for conventional telephone switches from its core European customers would cause profits to fall short of analysts' estimates.

Alcatel's move followed on the heels of an announcement by Sweden's Ericsson AB that it was buying Advanced Computer Communications, a U.S. maker of remote access equipment that processes incoming Internet calls.

"We're getting into a market that is completely different. The Internet is coming into

almost every aspect of daily life," Sven-Christofer Nilsson, chief executive at Ericsson, said recently. "We're adjusting our strategies and organization to meet that."

The European moves have imitated the aggressive acquisition and development strategies of their big North American rivals. Northern Telecom Ltd. and Lucent Technologies Inc., which themselves are trying to catch up with data equipment leaders like Cisco Systems Inc., 3Com Corp. and Ascend Communications Inc. More deals are expected, and promised, by Ericsson and Alcatel, but many analysts and industry executives caution that potential targets are getting scarce and that only a handful of companies may emerge as big convergence winners.

"They're trying to get the right products, but there are only a few people with the technology," said Stephen Koffler at Donaldson, Lufkin & Jenrette.

To understand the excitement about data networking, you only have to look at the numbers. Lucent has spent more than \$2 billion to acquire nine data-networking equipment companies in the past two years. Analysts estimate the business generates \$1 billion a year in revenues. More importantly, those sales are growing at a rate of about 35 percent a year, compared with revenue growth of 10 percent to 15 percent for the company's conventional circuit switches. "It is starting to become a noticeable part of our business," said Carl Pavarini, vice president for operations at Lucent's data-networking systems division.

Northern Telecom, which bought Bay Networks Inc. for \$6.7 billion in August, last week reported that sales in its data-networking division that includes Bay jumped by one-third in the third quarter.

John W. Sidmore, vice chairman and chief operating officer of MCI WorldCom Inc., which owns the largest Internet services company, UUNet Technologies Inc., said data traffic was on track to swamp voice. Demand for bandwidth from customers, a good measure of Internet traffic volume, is growing at an astounding rate of 10 times per year, or 1,000 percent, he said.

Mr. Sidmore predicted that data, mostly Internet-related, will account for 99 percent of all telecommunications traffic within a few years. The future, he said, lies in telecom networks based on the Internet Protocol, the technology standard for Internet traffic, combined with asynchronous transfer mode switches, or ATM.

Supporting that view, a recent survey of 100 major European companies by the Yankee Group Europe found that 85 percent of respondents planned to standardize their data transmissions on IP-based systems within three years, and one-third planned to shift a significant portion of their voice communications from the public telephone network to their IP-based intranets within five years.

"End user corporations are trying to focus on IP as a standard protocol," said Chris Lewis, an analyst at Yankee Group. The shift should save money and management time, and allow compa-

nies to focus more on the telecom applications they use than on the underlying technology that delivers the services.

Nonetheless, there are still a number of hurdles to leap before IP systems can compete with conventional circuit switches to serve as the backbone for the public telephone network. The quality and reliability of IP-based equipment for voice remains far short of circuit switches, and IP systems do not yet offer a full menu of features.

"It's one thing to announce you're going off on this path," said Mr. Pavarini. "It's another thing to build a useable network. There are only a limited number of people who are going to be able to get there quickly."

Assuming that technological solutions will be found, IP equipment vendors are likely to face a hard sell from established telecommunications carriers, which may be unwilling or unable to write off their enormous investments in older technologies. "Carriers are very risk averse," said Maribel Lopez of Forrester Research Group in Boston. "They're not really interested in sacrificing quality. What they have now works."

Nevertheless, Mr. Pavarini predicted that carrier-grade IP-based networks would become a reality in three to five years, and that increasing competition from upstream telecom companies would force their adoption. "Cannibalize your business before somebody else does," he said.

TOM BUERKLE is on the staff of the International Herald Tribune.

Limits Urged To 'Mining' of Private Data

By Brian Knowlton

WASHINGTON — There is gold these days in data — millions, even billions of dollars to be made by "mining" electronic information sources about what people buy, where they travel and what they read or eat or smoke, and then selling it to advertisers and businesses.

Companies have sprung up with the mission of sniffing out, compiling, repackaging and selling sometimes highly personal data on consumers. Increasingly, privacy advocates want limits on the often free-wheeling merchandising of such data.

The U.S. government favors self-restraint by the companies involved. But to expect serious restraint when there is so much money to be made, said one privacy advocate, is like hoping "to roll a lamb chop past a wolf."

It will take more than polite requests to slow the flow of such data, said Evan Hendricks, publisher and editor of Privacy Times, a Washington-based newsletter.

However, the European Union is trying to put some curbs in place. A European Union directive that took effect Oct. 25 lays out guidelines to protect the privacy of individuals in the 15 EU countries. It not only restricts the ways personal data can be used and moved within the EU — and provides consumers with ways to inspect and correct it — but would block its flow to other countries without similar protections.

The directive has brought sharp protests from some big U.S.-based companies that do business in Europe, notably accountancies, consultancies, travel businesses and insurers, big companies with long histories that are heavily dependent on moving information. If they are prevented from moving data, they have warned, a trade war could result.

"If strictly applied," said Robert Vastine, president of the Coalition of Service Industries, "the European directive could have disastrous results, halting data flows in a global economy that increasingly depends on them." His organization represents such major companies as American Express, IBM, Bank of America and Price Waterhouse.

The EU, while not suspending its directive, has agreed to continue negotiations with the U.S. Commerce Department through year's end in hopes of avoiding any such stoppages.

BRIAN KNOWLTON is on the staff of the International Herald Tribune.

Higher Fees to Access the Internet Rankle Asians

By Thomas Fuller

KUALA LUMPUR — The Internet, it has been said, will bring the world closer together. But in Asia these days the global network has spawned pockets of resentment that threaten to stir the waters across the Pacific Ocean.

At the center of the dispute are the fees that Asian companies pay to access the Internet — costs that are not shared with their U.S. counterparts who also use the trans-Pacific lines. Industry experts also fear the possibility that cash-rich U.S. companies will take advantage of Asia's economic crisis to buy struggling Internet service providers in the region, further strengthening America's position as the predominant Internet power in the world.

As it stands today, Asia could hardly be more dependent on the United States for its Internet needs. Because of the lack of intra-regional links, an e-mail message sent from one Asian country to another is very likely to transit through the United States — even when the beginning and ending points are just a few hundred kilometers apart. A message from Bangkok to Manila, for instance, is almost sure to travel

across the Pacific and back, traveling 30,000 kilometers instead of 3,000.

The reason is simple: historically, Asian countries have communicated much more with the United States than they have among themselves. Indo-Asian Internet communication is estimated at just 20 to 30 percent of total traffic in Asia.

Regarding price, Asia's dependence on the United States seems to make sense. The United States has the most competitive telecommunications market in the world, Geoff Huston, a technical manager at Australia's Telstra Corp., said. "The price of leasing a circuit across to the U.S. is in general either the same or lower than leasing a line that starts and ends in an Asian location."

And prices in the United States could fall over the next few years with the emergence of new technology that better utilizes the existing capacity of undersea cables and the laying of new cable.

Barry Raveendran Greene, a consulting engineer at Cisco Systems Inc. in Singapore, counts at least nine new undersea cables being installed over the next two years. Despite the prospect of lower charges for trans-Pacific access, today many of Asia's Internet service providers, or ISPs, are strapped for cash.

"Most Asian ISPs are suffering," said Izumi Aizu, head of Asia Network Research Sdn. Bhd. and secretary-general of the Asia & Pacific Internet Association.

This is especially true in countries where currencies have been devalued. Asian Internet users pay the ISPs in local currency but the costs of Internet access are in dollars, squeezing profit margins.

"The biggest operational expense for an ISP in Asia is the international link to the U.S. That's the thing that sinks the money," Mr. Greene said. A link can cost from \$70,000 to \$1 million a month depending on the size.

It is these fees that are at the center of the trans-Pacific dispute. Even though traffic flows both ways on these links to the United States, Asians pay for them.

This, too, is for historical reasons. As appetite for Internet services spread worldwide over the past few years, companies outside the United States, in order to tap into the network, were forced to pay for their links to the Internet.

"This makes accessing the Internet outside America comparatively expensive," said Yoshio Utsunomiya, a deputy minister at Japan's Ministry of Posts and Telecommunications in a recent issue of Telecom Tribune, a trade magazine. "But

considering the enormous impact of the Internet as a global information network, this inequality seems likely to become increasingly resented."

Mr. Utsunomiya's comments are particularly significant because last month he was elected secretary-general of the Geneva-based International Telecommunications Union, making it likely that the issue will be brought out into the open.

The current system is unfair for two main reasons, say those in the industry who favor a change in the way Asians pay for access: traffic flows both ways on these links benefiting American users by giving them access to Asian Internet users. Laina Raveendran Greene, managing director of GetIT Pte. Ltd. in Singapore, estimates that 30 percent of traffic on cables connecting Singapore with North America is outbound from the United States. With the emergence of Internet-based telephone systems, Mrs. Greene says outbound traffic from the United States could easily climb to half of the total traffic.

Second, U.S. companies that sell products on the Net — software companies, for example — are profiting from the business Asian Internet users provide, but are not paying for it.

THOMAS FULLER is on the staff of the International Herald Tribune.

FIRST WE GOT YOU TALKING
SoundStation Premier®
SoundStation EX®
ViewStation™

NOW WE HAVE YOU SEEING EYE TO EYE

POLYCOM® TELECONFERENCING. YOUR CONNECTION TO THE WORLD

Polycom has the clarity into audioconferencing. Now our leading technology has made Polycom the global market leader in group videoconferencing systems. We bring you the power of persuasion and the smile behind the conviction. Conduct productive, face-to-face business meetings across the world, bringing the human touch to discussions without the expense or time spent in air travel. Polycom gives you all the power, features and functionality you need for crystal-clear reception and the creation of a natural group exchange. It's simple to set up, and even easier to use - and costs for less than you might imagine.

Polycom® connects to your connection to the world from the comfort of your office, by video, audio, or dataconferencing. For a free demonstration, call Polycom now.

POLYCOM®
Advanced Teleconferencing Solutions



In business only the fittest survive.

Which is why you need an experienced partner. NTT DoCoMo is committed to bringing convenient, highly efficient and flexible mobile communications technology to the world. With the greatest share of the Japanese cellular phone market, we are one of the largest mobile communications companies in the world. Our ongoing development of W-CDMA as 3G system is distinguished by an open R&D policy. Our R&D center in Yokosuka Research Park is the focus of international cooperation

and technology exchange with companies from around the world seeking to create a standardized global system. Indeed, Europe has already decided to adopt W-CDMA — the system that can be tailored to specific user needs. Whether it's the high-tech requirements of global business or the simple direct communication between far-flung families or friends, together we can make the world a more competent and contented place. Blazing new trails is our business.

NTT Mobile Communications Network, Inc.
<http://www.nttdocomo.com>

THE INTERMARKET

+44 171 420 0348

BUSINESS OPPORTUNITIES

ATTENTION EXECUTIVES
Publish your business message in the International Herald Tribune, where more than a fifth of a million readers in 100 countries in 40 countries in business and industry, will read it. Just fax us (Paris) 33-1-414593707 before 10 a.m. each day, indicate which paper credit card you wish to charge it to. No other charges. Please allow 48 hours for message to computer within 48 hours. Please also include your address and telephone number for our 24-hour service.

Banking

EUROPEAN BANK issues for you POF, SICL, LC, Guarantee, Internat. Inv., members/branches/Head. Fax (02) 7245164 Phone 1-800-500003

WE PROVIDED DOCUMENTARY & Standby Letters of Credit, Bank Guarantees, Proof of Funds & Funding Commitments. Tel: 33-62-1620

PERSONAL OFFSHORE BANKING Complete DIF guide, Total Privacy, \$150. Full Details Fax 42-21 345 3971

PRESTIGE MONEY AND TAX HAVEN Our own Private Bank, Belgian Tel: 32-735-1023 Fax: 32-314-0468

Business Opportunities

ELECTRONIC
VIDEO GAMING

Casino Equipment Manufacture
TURN KEY OPERATION
Technology Transfer, Trade Secrets,
Software, Hardware, Equipment,
Facilities, Training and Support

U.S. \$4,000,000.00

For further confidential information,
subject to non-disclosure agreement
and verification of ability to perform,
please contact Mr. Barry Greener by

Fax in USA: (804) 458-7688

DRINK, BUT DRIVE SAFELY

Guaranteed delivery by Chinese
Safecar! All natural product made
from highly standardized growing areas
(not available on the world market)

Protect central nervous system
and vital organs, from alcohol
effects within less than 10 minutes

28 years of experience
already established

IMPERIAL GOLD HONG KONG INC.

TEL: 4314-782-8800

Fax: 4314-782-8801

FOR SALE EXECUTIVE PROFILE FIRE
Hong Kong. Successful profile search
and consultancy with strong relationships in
China, Taiwan, Japan, ASEAN countries
and into Asia. We include major
US/European institutions and Asian
associates. Excellent database, highly
professional local consultants. Owner
retiring but will remain for 1 year minimum.
Tel: (852) 310-2363 Fax: (852) 2366-0381

BECOME OUR SALES AGENT! Ladies
and Gentlemen invited. Work is your
home area or travel. No special knowl-
edge needed. We assist since 1982 and
pay high commissions to selling profes-
sional advertising and promotional
activities. Tel: 44-171-2265-1933. Fax:
44-171-377-7108.

FANTASTIC OPPORTUNITY

Seeking Worldwide Distributors for latest
breakthrough products in the treatment
and prevention of Cancer and Arthritis.
Great opportunity. Fax Australia 61 2
4223392 College Community
PO Box 120 Maitland NSW 2320, Australia

QUALIFIED GROUPS OF PROFESSIONALS

specialized in tourist real es-
tate available willing to examine scru-
pulous realistic proposals for the man-
agement of villages and for the sale of
real property units sharing the multi-
plex system. Contact by fax +39-02-
7603466

2nd PASSPORTS / Driving Licenses /
Degrees/Certifications/Professional
Bank Accounts. Tel: 0039-02-1407
E-mail: info@global-money.com

\$3,000 + more per month legal & easy.

You can get it if you are our partner.

How? www.global-money.com

Herald Tribune INTERNATIONAL SPORTS

WEDNESDAY, NOVEMBER 4, 1998

PAGE 24

WORLD ROUNDUP



Vince Spadea hitting a forehand to Cedric Pioline on Tuesday.

Spadea Stops Pioline

TENNIS Vincent Spadea of the United States upset Cedric Pioline, the French No. 1, 6-4, 6-4, Tuesday at the Paris Indoor Open.

Pioline fired nine aces to Spadea's two, but never looked comfortable on his serve and never showed the form that has taken him to No. 17 in the world. (AP)

• Steffi Graf beat Ruxandra Dragomir, 6-3, 6-3, Tuesday in the Leipzig indoor tournament. It was Graf's first singles match after a two-month break following surgery on her right wrist. (Reuters)

Tyson May Fight Botha

BOXING Mike Tyson will make his comeback against Francois Botha of South Africa in Las Vegas on Jan. 16, according to reports Tuesday in newspapers in London and New York.

In Britain, the Independent said the fight would be at the MGM Grand in Las Vegas.

In New York, the Daily News said the fight was "a done deal." It said Tyson had received a large advance to help with his cash problems.

It would be Tyson's first fight since his license was restored last month by the Nevada State Athletic Commission. (AP)

Belgrade Match Is On

SOCCER Ireland will play its European 2000 qualifying match with Yugoslavia in Belgrade Nov. 18, the Football Association of Ireland said Tuesday. The game, originally scheduled for Oct. 10, was postponed because of tension over Kosovo. (Reuters)

Beck Stays With Cubs

BASEBALL Relief pitcher Rod Beck, who could have declined his \$5.5 million salary for 1999 and become a free agent, instead added at least one more year to his contract with the Chicago Cubs. Beck saved 51 games this season. He will earn \$3.5 million in 2000. The Cubs have an option to keep him in 2001.

• Don Denkinger, whose call at first base helped turn the 1985 World Series between Kansas City and St. Louis, is retiring as a major league umpire. Denkinger, 62, said an ailing right knee had forced him to stop umpiring. (AP)

Across a Continent, Soccer's Elite Face a Stormy Night

International Herald Tribune

COUNTY CORK, Ireland — Europe may be the honey pot of world soccer, but it carries a sting for the players — and their followers — as they travel to its far corners.

I write this in the Republic of Ireland, close to the place where Roy Keane, the feisty captain of Manchester United grew up. It is as far west as Europe reaches. Keane has returned from a fearful knee injury. But, to put that adversity in perspective, a local widow is mourning the loss at sea of her 25-year-old fisherman son. Patrick Courtney was believed swept overboard in almost the same spot where his father drowned eight years ago.

So when Keane leads United in the multimillion dollar UEFA Champions League on Wednesday, spare a moment to consider the spin of fortune that makes one mother's son rich and famous and takes another's in the cruel sea.

The waves are rough and people's homes have been invaded by the angry tide. Yet on Wednesday they will swab out their living rooms, turn away from the tragedy of seven lives lost at sea in 48 hours, and switch on the "five" broadcast from Manchester where United plays Brondby. Since United scored six goals in each of two games it has played against the Danes this sea-

son, those viewers who prefer something a little more competitive have only to flick to switch to tune into Dynamo Kiev versus Arsenal.

There it will be cold. The Ukraine — and Russia where Moscow Spartak entertains Inter Milan in a crucial match — are as far east as all pervasive tournament is played. Yet its appeal reaches even further east, just weeks ago I sweltered in a crowded Kuala Lumpur bar where the attraction of Europe's prize tournament exerted a compelling hold on the audience.

For 90 minutes, the sport shrinks the globe, pulls us together. And though we see on those same screens the appalling human cost of the Nicaraguan hurricane, for that hour and a half we center on the swirl of players whose careers and imaginations are beyond Arsenal's ken.

Kiev, for example, is at the heart of a

strongly independent nation. Dynamo Kiev is the core of the Ukraine national team that leads a Euro 2000 qualifying group containing Russia and France.

Valeri Lobanovsky, the old fox, trains Dynamo in a pattern utterly modern in its blend of athleticism, tactical flexibility, highly concentrated teamwork.

Two weeks ago, in front of 73,000 Londoners, Kiev outplayed Arsenal at

Vantage Point/ROB HUGHES

Wembley Stadium. The score was 1-1, but that was a travesty. Andrei Shevchenko, arguably the finest center forward in Europe, had a perfectly executed goal erroneously ruled offside. With speed and power, with virile movement here, there and everywhere, he was the attacking hub of a team which passed the ball with stealth and imagination beyond Arsenal's ken.

Now, in Kiev's spartan, spacious bowl, Dynamo should hold the advantage. Shevchenko has the complete center-forward's armor, but he has a blind spot. He seldom sees colleagues, even his strike partner Sergei Rebrov, seldom passes when they have run enthusiastically into better scoring positions.

Yet a host of moneyed clubs would pay whatever it takes to lure Shevchenko from the east. AC Milan, it is said, has agreed to buy him for \$50 million in January. Arsenal would like to buy him. Manchester United made a bid.

The Ukraine is a ferociously partisan place. Those who leave Dynamo for Western money are forgiven. But there is a third category, epitomized by Andrei Kanchelskis — who has squandered fortunes of Manchester United, Fiorentina and Glasgow Rangers. He opted to play

for Russia, the enemy, when the Soviet

Union dissolved. Lobanovsky, a math professor and a Kiev player in his day, has a paternal hold on his "boys." Oleg Blochkin, one of the first wave of Lobanovsky's Dynamo apprentices, stayed in Kiev and is now a centrist member of the Ukrainian Parliament. Oleg Kutznetsov, another star of that team, is a banker in Kiev. And while Lobanovsky himself becomes as rounded as the vodka bottle he cannot always resist, his latest pupils have other reasons not to fly the nest.

"I have the impression no bachelors are left in Kiev except me," Shevchenko was quoted on a Ukrainian Web site as saying. He's not sure whether it's the goals, the money, or the status symbol Mercedes that attracts the girls.

THE men, over 80,000 of them

who will crowd into the Olympic Stadium on Wednesday, are drawn to Kiev's soccer talents. Dynamo must win or effectively go out of the Champions League. Arsenal arrives wary and weary. Dennis Bergkamp, who scored its goal in London with a flying header, has a phobia about air travel, and Kiev by land and sea is a journey too far.

Without Bergkamp, without the sturdy defense of Tony Adams and the swift Marc Overmars, both injured, Arsenal is at Kiev's mercy. Adams, in-

deed, was one of three Arsenal players who came to southern Ireland hoping the spa waters from the sea might soothe his back strain. It failed.

Meanwhile, Inter visits Moscow. If it fails, its coach, Luigi Simoni, will very likely be dismissed. Inter has a phenomenal array of forwards — Youri Djordjevic of France; Ronaldo of Brazil; Ivan Zamorano of Chile; and Roberto Baggio and Nicola Ventola, the old and the young of Italy.

But the attack isn't playing well enough to overcome defensive failings. The recurring ailments of Baggio and Ronaldo deny Massimo Moratti, the oil baron who bankrolls Inter, the pleasure of seeing them together. Inter has lost three successive Italian league games.

Simoni, a nice man who had a long journey through lower division clubs, must win where Real Madrid failed in Moscow if he is to keep his job.

"I have made mistakes, more than anybody," he said. "But others must assume their responsibilities. President Moratti must make his decision with calmness."

Calm, from the unforgiving waves of the Atlantic ocean to the biting Siberian wind, is not always at human command.

Rob Hughes is chief sportswriter of The Times of London.

Bordeaux and Parma Advance to 3d Round

French Club Defeats Vitesse Arnhem, 2-1

The Associated Press

BORDEAUX — Bordeaux defeated Vitesse Arnhem, 2-1, on Tuesday, to qualify for the third round of the UEFA Cup with a 3-1 aggregate victory.

Although the French team won the first match, 1-0, in the Netherlands, its victory was in doubt until the 64th minute when Silvain Wiltord, who scored in the first leg, made it 2-1 on the night.

Michel Pavon, who recovered from a knee injury to captain the French team,

after receiving two yellow cards.

PARMA, 2, Wisla Krakow 1 in Parma, Italy. Parma moved into the third round on a 3-2 aggregate score following a 2-1 home victory against Wisla Krakow.

The victory at Tardini stadium added to a 1-1 draw in the second-round, first-leg of the European soccer competition.

The Italian midfielder Stefano Fiore scored the opening goal in the 21st minute with a powerful drive from the penalty-area edge.

An own-goal by Bogdan Zajac made it 1-0 in the 46th minute. The Polish defender diverted a volley by Parma's French midfielder, Alain Boghossian, into his net. Zajac avenged the mistake in part by scoring his team's only goal in the 93rd minute.

The Italian team, showing winning form and determination following Saturday's 2-0 upset of the Italian league leader, Fiorentina, pressed on the attack for most of the game and left a few chances to the opponents only in the last 20 minutes of play.

Top Clubs Want Bulk of Cash

Europe's top clubs on Tuesday demanded half the revenue generated by the revamped Champions League as a reward for shunning a rival Super League, The Associated Press reported from Geneva. UEFA, the governing body of European soccer, expects the competition to bring in \$400 million to \$600 million. At a meeting in Geneva, the biggest clubs said 50 percent of that revenue should be split between them. They said the remaining 50 percent should be awarded under the current system of match and performance fees. Smaller clubs would therefore be guaranteed almost no income.

THE UEFA CUP

hit an 18-meter right-foot shot that the Arnhem goalkeeper, Kostas Chaniotakis, could not hold, and Wiltord was perfectly placed to fire in from close range.

Arnhem had tied the aggregate score in the eighth minute when Louis Laros crossed from the left and Arco Jochensen, left unmarked by the home defense, planted a firm header past Ulrich Rame.

But within two minutes, Bordeaux made it 1-1 when the midfielder Johan Micoud beat a defender and curled in a fine left-footed shot from the edge of the penalty area.

In driving rain, both teams had opportunities to score again. Seconds before halftime, Bordeaux's Lilian Laslandes fired a left-footed drive that was brilliantly tipped over by Chaniotakis. Then, 10 minutes into the second half, Arnhem's Greek striker Nikos Machias volleyed past Rame from just inside the penalty area.

The linesman called offside, but TV replays later showed that Machias was at least a yard outside. Bordeaux's Ali Benarbia was sent off in injury time

Top Clubs Want Bulk of Cash

Europe's top clubs on Tuesday demanded half the revenue generated by the revamped Champions League as a reward for shunning a rival Super League, The Associated Press reported from Geneva. UEFA, the governing body of European soccer, expects the competition to bring in \$400 million to \$600 million. At a meeting in Geneva, the biggest clubs said 50 percent of that revenue should be split between them. They said the remaining 50 percent should be awarded under the current system of match and performance fees. Smaller clubs would therefore be guaranteed almost no income.

THE UEFA CUP

hit an 18-meter right-foot shot that the Arnhem goalkeeper, Kostas Chaniotakis, could not hold, and Wiltord was perfectly placed to fire in from close range.

Arnhem had tied the aggregate score in the eighth minute when Louis Laros crossed from the left and Arco Jochensen, left unmarked by the home defense, planted a firm header past Ulrich Rame.

But within two minutes, Bordeaux made it 1-1 when the midfielder Johan Micoud beat a defender and curled in a fine left-footed shot from the edge of the penalty area.

In driving rain, both teams had opportunities to score again. Seconds before halftime, Bordeaux's Lilian Laslandes fired a left-footed drive that was brilliantly tipped over by Chaniotakis. Then, 10 minutes into the second half, Arnhem's Greek striker Nikos Machias volleyed past Rame from just inside the penalty area.

The linesman called offside, but TV replays later showed that Machias was at least a yard outside. Bordeaux's Ali Benarbia was sent off in injury time



Jezabeel, left, leading Champagne, second from left, and Persian Punch, bottom, across the finish line.

Jezabeel Triumphs in Melbourne Cup

Compiled by Ian Staff from Preps.com

MELBOURNE — Jezabeel, a New Zealand-bred mare, retook the lead in the closing stretch Tuesday to gain a narrow victory in the Melbourne Cup.

Champagne, another New Zealand-bred mare, powered past Jezabeel about 200 meters from the winning post. But Jezabeel, ridden by Chris Munce, fought back to win by a neck.

The five-year-old Jezabeel was heavily backed for the 3,200-meter (2-mile) handicap event by almost 100,000 bettors, and the horse's odds closed in from 14-1 on Monday to 6-1 at post time.

The three places behind Champagne

were filled by British horses. Persian Punch was third, closely followed by Tausan's Melody and Yorkshire.

Seven of the entries were not from Australia or New Zealand, prompting complaints from local trainers that superior Australian horses had been unfairly left out of the race which has a purse of 2.8 million Australian dollars (\$1.7 million).

Faithful Son, the early pre-post favorite who won from 5-1 to 13-2, was the first runner in the Melbourne Cup from Sheikh Mohammed ibn Rashid al Maktoum's Goldolphin stable in England. Apparently, no detail was overlooked to prepare Faithful Son. The

stable's personal farrier, Jim Bayes, was flown in by private jet over the weekend to inspect the horse's hooves.

But fears expressed by the jockey Frankie Dettori that the horse might not stay the distance were borne out as Faithful Son faded to seventh after being in the firing line in the home stretch.

Australian bettors spent about 150 million dollars on the race through betting agencies and bookmakers. Millions more were bet in office pools. The host state of Victoria has a public holiday for the race, always held on the first Tuesday in November.

(AP, AFP, Reuters)

SCOREBOARD

ICE HOCKEY

NHL Standings

ATLANTIC CONFERENCE

NORTH DIVISION

SOUTHERN DIVISION

WESTERN CONFERENCE

CENTRAL DIVISION

WESTERN CONFERENCE

AMERICAN CONFERENCE

EAST

WEST

AMERICAN CONFERENCE

SPORTS

Cowboys Shoot Down Hapless Eagles, 34-0

In Weak NFC East, Dallas (5-3) Is on Top

By Thomas George
New York Times Service

PHILADELPHIA — Call the National Football Conference East what you will: lousy, lame, weak, ghoulish, sorry. But the Dallas Cowboys do not want to hear it. Just call them the front-runners. With half the season over, they are first in the division.

A thorough 34-0 thrashing of the lousy, lame, weak, ghoulish and sorry Philadelphia Eagles on Monday night assured the Cowboys of the top spot. Dallas is 5-3, and no other NFC East team has a winning record, the only division in the National Football League with such a distinction. The bottom three teams in the division (Giants, Eagles and Redskins) are a combined 5-19. The Giants (3-5) are up next for Dallas. The Eagles are a horrendous 1-7.

Philadelphia was trailing, 17-0, by halftime Monday, and in the third quarter watched Dallas score on Troy Aikman's nine-yard touchdown pass to tight end David LaFleur. By the time Emmitt Smith rambled 15 yards for a touchdown early in the fourth quarter to put Dallas ahead by 34-0, most of the Eagles' fans were long gone and so were the Eagles' hopes of anything good happening.

Aikman played well in his first game back after missing five because of a broken collarbone. He completed 14 of 26 passes for 171 yards and two touchdowns and left the game with more than nine minutes to play.

The game had just enough big plays to hold the fans' attention. Too bad for the Eagles that they were all Dallas plays. The most exciting moment of the

game came just before halftime — courtesy of Deion Sanders. Sanders had played possum on his previous punt return, signaling for a fair catch even though there appeared to be no running room, and simply catching the ball and tossing it to an official.

But on the next Philadelphia punt, Sanders caught the ball, took a quick step toward the middle, and then broke down the right sideline: Sanders, 31 and in his 10th pro season, sped through the Eagles' defenders and then showed a burst of pure speed at the end.

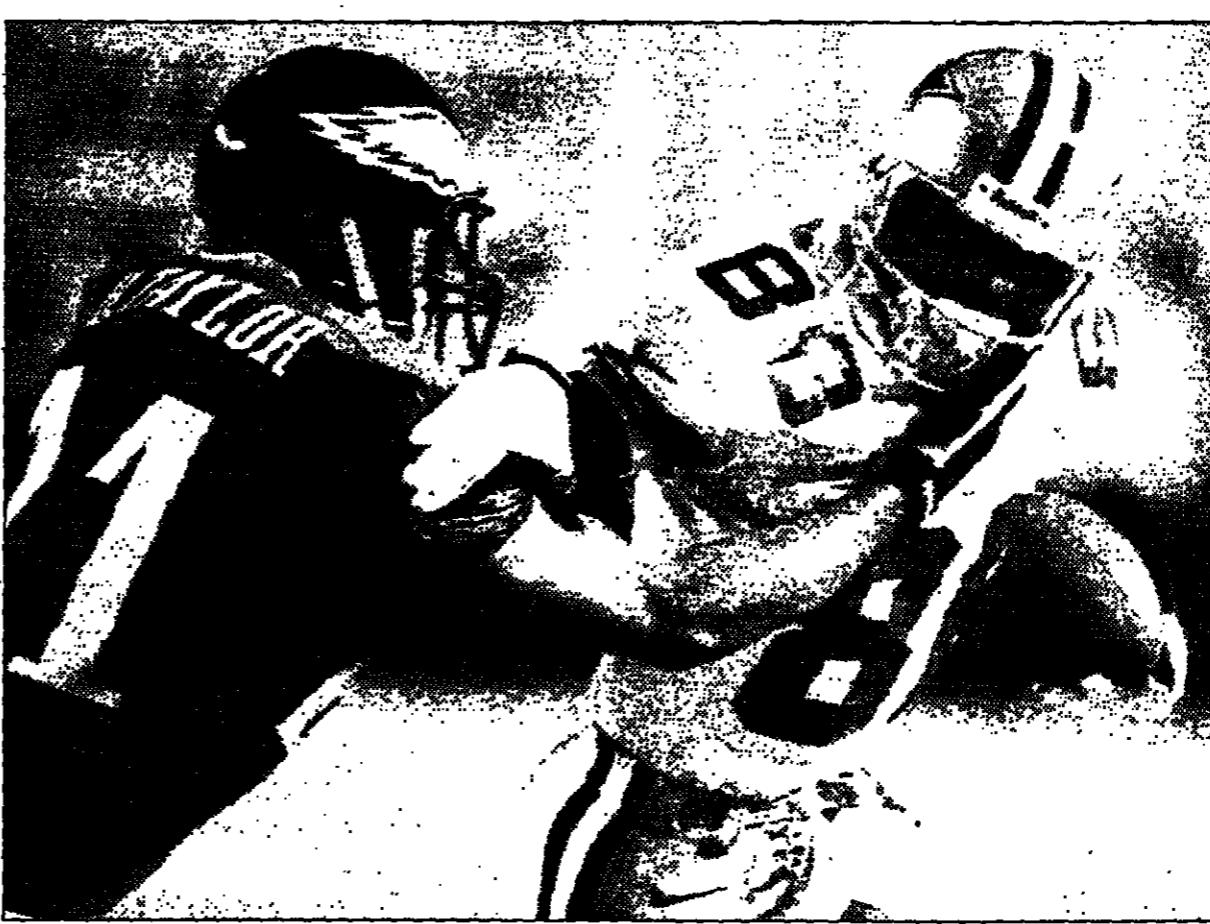
Sanders still delights. This return was for 69 yards and a touchdown that made it 17-0 Dallas with 1 minute, 49 seconds left in the half. Right then, the Eagles looked stuffed. Their main problem was that another half remained.

This was Dallas's 55th appearance on "Monday Night Football." Only Miami (57) has more. It was also the fourth straight season that Dallas and Philadelphia had met on a Monday night. Dallas has won all four. And Dallas, with a 31-7 victory over the New York Giants on Sept. 21, made it 2-0 on Monday nights this season. Sanders returned a punt for a touchdown in that one, too.

It was 10-0 after one quarter, a quarter in which Philadelphia ran 10 offensive plays and gained no yards passing.

It was also a quarter in which Rodney Peete, the Eagles' quarterback, injured his right hand on the Eagles' first offensive series. He did not return, and that proved costly, quickly, to Philadelphia.

Dallas got things started right. Although Aikman was sacked on his first snap for an eight-yard loss, he and the



The Eagles' Bobby Taylor, left, pushing Michael Irvin of the Cowboys out of bounds in the first quarter.

Dallas offense righted themselves and drove 14 plays, keeping the ball for 7:06 and roaming all the way to the Eagles' 16. Richie Cunningham kicked a 33-yard field goal to put Dallas ahead, 3-0.

On Philadelphia's next possession, Peete was injured and the Eagles punted. The Cowboys punted it right back. Peete's replacement, Bobby Horing, then tried to hand the ball off to Charlie Garner on his first snap. The exchange was way off, Garner, though, was the one who bobbed it most, fumbling the ball to Dallas at the Eagles' 11, where Kavika Pittman recovered.

Two plays later, Aikman zipped a tight, sharp throw toward Michael Irvin. Irvin ran a deep pattern in the left corner of the end zone and caught the ball for the score. The conversion gave Dallas a 10-0 lead with 1:27 left in the first quarter. It only got worse for Philadelphia. In the final seconds of the first quarter, the Eagles celebrated when running back Duke Staley burst through a stunting Dallas line and sped 46 yards to the Dallas 37. That was easily the Eagles' highlight of the half. But a Horing pass was intercepted on the same drive, early in the second quarter.

• Bobby Taylor, Philadelphia's top cornerback, agreed to a reported \$28 million, six-year contract extension hours before the Eagles' loss to the Cowboys. The Associated Press reported from Philadelphia: "I love this team and despite our record I wasn't going to give up," Taylor said. "I still have a positive attitude that something good will come out of this season."

Philadelphia also signed the defensive end Greg Jefferson to a four-year extension. Both players would have become unrestricted free agents at the end of the season.

Union Head Sees Start of NBA Season In January

By Mike Wise
New York Times Service

NEW YORK — Billy Hunter, the executive director of the National Basketball Players Association, dispelled any notion that the team owners and players were headed toward a settlement soon, despite long, intensive bargaining sessions and optimistic remarks by union officials and players last week.

On the day before the season was originally scheduled to start, Hunter said Monday that no agreement was imminent in the labor impasse.

He added that he thought the season would not begin until next year.

"My gut tells me that in January we could be playing," he said in a conference call with reporters. "I would anticipate the season would start around the first part of January."

Russ Granik, deputy commissioner of the National Basketball Association, said he agreed with Hunter that an agreement was not close.

Hunter's declaration came after representatives of the owners and players met for about two and a half hours at a New York law firm.

Hunter said that he was trying to stop recent news media speculation that an agreement would be reached as early as this week.

The Best Math Department? Today, Colleges Just Want the Best Stadium

By Bill Brubaker
and Mark Ashker
Washington Post Service

WASHINGTON — The most expensive campus arena in the history of U.S. college athletics opened Tuesday.

The Ohio State University basketball team opened its new season at the Buckeyes' new home, the Value City Arena at the \$106 million Jerome Schottenstein Center. The center is a 63,000-square-meter complex with 19,500 seats, a sprawling "donor" club and 49 plush suites where the menu includes marinated grilled shrimp, baked brie en croute, bacon-wrapped scallops and, at \$140 a bottle, Dom Perignon.

"All the amenities," said Jim O'Brien, the Ohio State men's basketball coach, who speaks about the arena with breathless exuberance. "I mean, our arena is wired for the top-level, high-state-of-the-art technology that is going on in America today! We have huge scoreboards on all four corners! We have an instant replay video board! A restaurant! Escalators! For a college facility to have luxury suites encircling the entire facility, I mean, they have not spared any expense."

This is the new face of intercollegiate athletics: building and upgrading facilities that are more ludicrous than the next guy's and using them to lure affi-

liates and Dom-sipping donors.

"It's a frenzy now," said Bill Moos, the University of Oregon's athletic director, who plans to expand his football stadium by more than 10,000 seats and recently opened a \$12 million indoor football practice facility. "It's one-upmanship. The name of the game is re-cruising."

A sampling of 25 major-college athletic programs found that, since 1996, these schools had spent or committed \$1.2 billion to build or renovate sports facilities. Four universities in Texas accounted for almost \$300 million. Ohio State, which is also renovating its football stadium, is spending \$260 million.

"Intercollegiate athletics has gone too far," said Shelley Payne, a microbiology professor who chairs the University of Texas's faculty governing body. "This has become huge — a big enterprise. It's time to say: Enough."

In the midst of a \$90 million sports facilities expansion project on the Austin campus, Texas faculty members have formed an ad hoc committee to discuss "what the entire university wants from athletics and how can we make the system work best," Payne said.

Ohio State finds that, in addition to education and intercollegiate athletics, it is now in show business, co-promoting concerts, circuses and World Wrestling Federation exhibitions that have been booked to keep Schottenstein

Center viable. The arena is so heavily booked that Ohio State's hockey team rarely will have an opportunity to practice on its home ice this season.

One Ohio State supporter, George Steinbrenner, the New York Yankees' owner, said state-of-the-art stadiums and arenas were a necessity.

He said: "I have a favorite saying: Some of the lessons you learn in the classroom and in the library are very important, but so are the lessons you learn in the stormy billows of the line of

RECRUITS WALK INTO THIS STADIUM NOW AND THEIR MOUTHS DROP OPEN.

scrimmage." Steinbrenner attended graduate school at Ohio State and is leasing a \$65,000-a-year suite at the new arena. "I'm not saying to athletes: Neglect your books," Steinbrenner said. "No way. But neither am I saying to the academic community that you're the only thing that counts. Cause you are not."

Many university officials say that without new or upgraded facilities, they cannot successfully recruit star athletes in the major revenue-producing sports — football and men's basketball. Without star athletes, they say, these teams won't win. Without winning teams, ticket sales will fall and boosters will not reach for their checkbooks. With reduced revenues, the university's entire athletic program will be in peril.

Typically, college sports facilities are funded through a mixture of private donations, state grants, naming-rights gifts, ticket surcharges, student fees, university-issued bonds and revenue from luxury suites and personal seat licenses where fans make one-time donations and get first crack at the best seats.

"It's somewhat distressing," said John DiBiaggio, who resigned as president of Michigan State University in 1992 after a dispute with the board of regents over making the football coach the athletic director. "An institution builds an indoor football practice field and all the competing institutions say they must have one as well. That's why each gets more elaborate than the last."

Nowhere is the building frenzy more apparent than in Texas, where college football is a sacred Saturday ritual.

In College Station, Texas A&M is building a 13,000-seat, \$33 million structure behind one end zone and "the largest collegiate stadium club in the country."

In Lubbock, Texas Tech plans to add suites, a new press box and a new facade to its stadium at a cost of \$47 million. It also is building a \$53 million, 15,000-seat arena (named after a supermarket chain) and a \$1.5 million "Spanish Renaissance-style" women's softball complex.

At Southern Methodist University in Dallas, there's a \$43 million, 32,000-seat football and soccer stadium and 124,000-square-foot all-sports center on the drawing board with 17 suites.

The University of Texas's \$90 million project includes stadium enhancements such as a new grass playing field; a Sony JumboTron video system; a concession plaza; a 132,000-square-foot club hospitality room; a 5,000-seat upper deck and 66 suites.

FIFTY-FIVE of the 66 suites have been sold, according to Christine Plonsky, the associate athletic director in charge of selling the project. Each suite has 12 or 16 seats and is leased for between \$39,000 and \$65,000 a year. Eighty percent of that cost is tax deductible as a charitable contribution because universities are treated as not-for-profit enterprises.

"Recruits walk into this stadium now and their mouths drop open," Plonsky said. "We went from a 3,300-square-foot weight room to a 16,000-square-foot weight room. We put brand new football coaches' offices over there. Brand new locker room. Brand new players' lounge. Brand new video team rooms. A sports medicine area that is state-of-the-art. We have corridors which show our NFL player history and our academic all-Americans. A lot of this is about presentation. Recruiting is nothing more than

selling. We're appealing to a young group of people who can look around and say: Who has it better than this?"

The University of Texas's athletic department hasn't used state or university funds for its projects. And the university is upgrading non-sports facilities on campus. Still, some faculty members are asking: Do the less than 0.3 percent of students who play intercollegiate football really need so much?

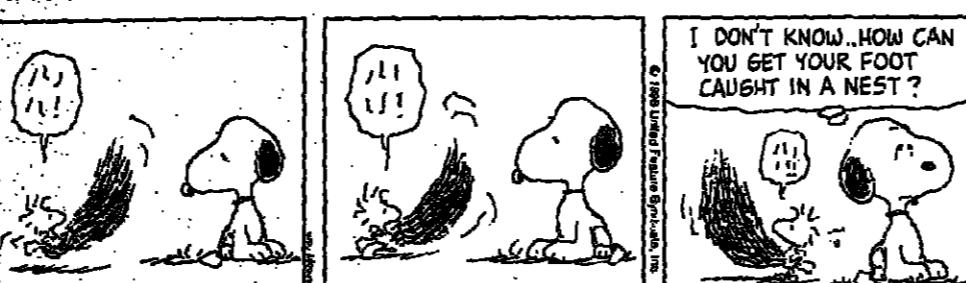
"For the most part, the faculty is not anti-athletic," said Payne, the microbiology professor who chairs Texas's Faculty Council. "People do recognize this serves an important function in terms of building community, or bringing people back to the university. But it does sort of leave a bad taste in people's mouths when the library is not able to renew a journal they need for their research."

"I'm in a building that was built in 1950 and is terribly antiquated for the type of molecular biology we do today. We need \$66 million to renovate this building."

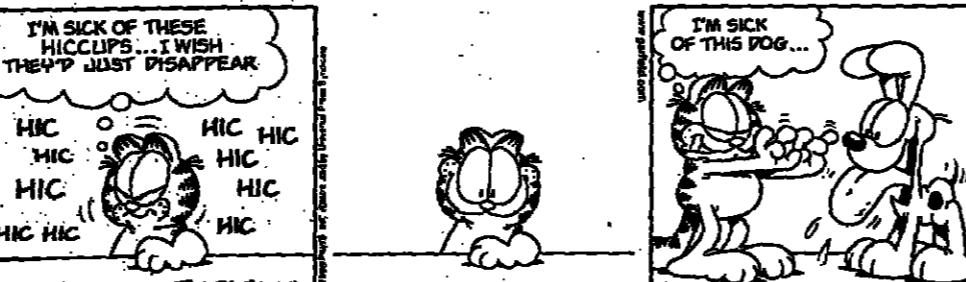
"We just got the estimate on that. So people just throw up their hands and say. 'We're sorry you're going to have to deal with the conditions you're in because that type of money is not available. Having one of these highly visible, very public, elaborate stadiums does give the impression that the university has plenty of money that perhaps the school isn't in need of funding."

DENNIS THE MENACE

PEANUTS



GARFIELD



JUMBLE



DYRFL



RECRUITMENT

Appears every Monday in The International.

To advertise, contact Sunya Broadbent in our London office.

Tel: +351 21 71 00255.

Fax: +44 171 420 0338.

or your nearest IHT office or representative.

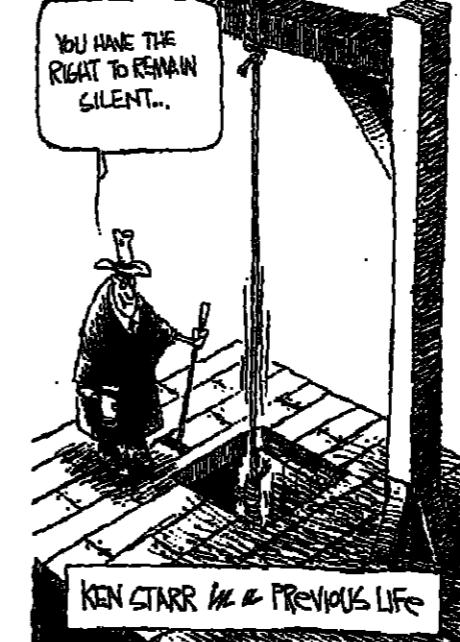
CALVIN AND HOBBES



WIZARD OF ID



NON SEQUITUR



DOONESBURY



